

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2026

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number 1-41642

Knife River Corporation

(Exact name of registrant as specified in its charter)

Delaware 92-1008893
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

1150 West Century Avenue
P.O. Box 5568
Bismarck, North Dakota 58506-5568
(Address of principal executive offices)
(Zip Code)
(701) 530-1400
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value	KNF	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐.

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-Accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of July 30, 2026: 56,763,420 shares.

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Unless otherwise stated or the context otherwise requires, references in this report to "Knife River," the "Company," "we," "our," or "us" refer to Knife River Corporation and its consolidated subsidiaries.

Introduction

Knife River is an aggregates-based, vertically integrated construction materials and contracting services company with 1.3 billion tons of aggregate reserves as of December 31, 2025. About 35 percent of these aggregates support internal production of ready-mix concrete, asphalt, and various contracting services, including heavy-civil and concrete construction. Our company targets mid-size, higher-growth markets and is dedicated to growth and stakeholder value through our core values: People, Safety, Quality, and the Environment.

We supply construction materials and contracting services in the United States and operate across 15 states, mainly serving public-sector infrastructure projects like highways and bridges. Our access to high-quality aggregates supports our vertically integrated model, allowing us to share resources and maximize efficiency. Products are transported by truck, rail, or barge, depending on the market. Strategically located aggregate sites, plants, and a large fleet help us serve customers effectively. This integrated approach provides scale, efficiency, and operational excellence, benefiting customers, shareholders, and communities.

Our business is organized into four operating segments, each of which is also a reportable segment. Three of the reportable segments are aligned by key geographic areas, West, Mountain and Central. Each geographic segment offers a vertically integrated suite of products and services, including aggregates, ready-mix concrete, asphalt and contracting services. The Energy Services segment, which has locations throughout our geographic footprint, produces and supplies liquid asphalt and related services, primarily for use in asphalt road construction. For more information on our business segments, see Note 15 of the Notes to Consolidated Financial Statements.

Part I -- Financial Information

Item 1. Financial Statements

Knife River Corporation Consolidated Statements of Operations (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
(In thousands, except per share amounts)				
Revenue:				
Construction materials	\$ 532,134	\$ 493,575	\$ 794,449	\$ 706,983
Contracting services	406,453	340,184	554,269	480,248
Total revenue	938,587	833,759	1,348,718	1,187,231
Cost of revenue:				
Construction materials	400,298	377,104	673,242	610,867
Contracting services	375,521	299,409	515,481	428,712
Total cost of revenue	775,819	676,513	1,188,723	1,039,579
Gross profit	162,768	157,246	159,995	147,652
Selling, general and administrative expenses	81,654	69,170	165,115	142,228
Operating income (loss)	81,114	88,076	(5,120)	5,424
Interest expense	24,563	22,335	45,304	37,598
Other income	3,293	2,207	2,662	6,773
Income (loss) before income taxes	59,844	67,948	(47,762)	(25,401)
Income tax expense (benefit)	15,961	17,345	(12,469)	(7,294)
Net income (loss)	\$ 43,883	\$ 50,603	\$ (35,293)	\$ (18,107)
Net income (loss) per share				
Basic	\$ 0.77	\$ 0.89	(0.62)	(0.32)
Diluted	\$ 0.77	\$ 0.89	(0.62)	(0.32)
Weighted average common shares outstanding:				
Basic	56,758	56,657	56,734	56,642
Diluted	56,878	56,912	56,734	56,642

The accompanying notes are an integral part of these consolidated financial statements.

Knife River Corporation
Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2026	2025	2026	2025
	(In thousands)			
Net income (loss)	\$ 43,883	\$ 50,603	\$ (35,293)	\$ (18,107)
Other comprehensive income:				
Postretirement liability adjustment:				
Amortization of postretirement liability losses included in net periodic benefit cost, net of tax of \$41 and \$20 for the three months ended and \$82 and \$40 for the six months ended June 30, 2026 and 2025, respectively.	127	64	254	127
Postretirement liability adjustment	127	64	254	127
Other comprehensive income	127	64	254	127
Comprehensive income (loss) attributable to common stockholders	\$ 44,010	\$ 50,667	\$ (35,039)	\$ (17,980)

The accompanying notes are an integral part of these consolidated financial statements.

Knife River Corporation
Consolidated Balance Sheets
(Unaudited)

	June 30, 2026	June 30, 2025	December 31, 2025
	(In thousands, except shares and per share amounts)		
Assets			
Current assets:			
Cash, cash equivalents and restricted cash	\$ 102,028	\$ 77,668	\$ 123,418
Receivables, net	468,412	428,098	278,030
Contract assets	121,925	63,964	77,528
Inventories	507,325	479,521	435,714
Prepayments and other current assets	71,977	54,029	46,232
Total current assets	1,271,667	1,103,280	960,922
Noncurrent assets:			
Net property, plant and equipment	2,176,739	1,924,220	2,028,933
Goodwill	583,996	464,133	519,668
Other intangible assets, net	33,671	38,147	32,680
Operating lease right-of-use assets	51,339	49,114	52,589
Investments and other	60,411	52,569	55,321
Total noncurrent assets	2,906,156	2,528,183	2,689,191
Total assets	\$ 4,177,823	\$ 3,631,463	\$ 3,650,113
Liabilities and Stockholders' Equity			
Current liabilities:			
Long-term debt - current portion	\$ 17,221	\$ 11,780	\$ 11,708
Accounts payable	227,943	172,204	145,581
Contract liabilities	26,640	36,306	33,773
Accrued compensation	38,378	31,398	44,253
Accrued interest	11,836	7,697	7,348
Current operating lease liabilities	16,535	14,306	15,942
Other taxes payable	18,795	17,960	11,252
Other accrued liabilities	119,887	105,555	108,132
Total current liabilities	477,235	397,206	377,989
Noncurrent liabilities:			
Long-term debt	1,600,085	1,341,174	1,153,830
Deferred income taxes	296,466	257,472	287,917
Noncurrent operating lease liabilities	34,804	34,807	36,647
Other	163,345	139,687	152,790
Total liabilities	2,571,935	2,170,346	2,009,173
Commitments and contingencies			
Stockholders' equity:			
Common stock, 300,000,000 shares authorized, \$0.01 par value, 57,194,556 shares issued and 56,763,420 shares outstanding at June 30, 2026; 57,095,301 shares issued and 56,664,165 shares outstanding at June 30, 2025; 57,095,301 shares issued and 56,664,165 shares outstanding at December 31, 2025	572	571	571
Other paid-in capital	629,623	623,908	629,637
Retained earnings	989,327	849,439	1,024,620
Treasury stock held at cost - 431,136 shares	(3,626)	(3,626)	(3,626)
Accumulated other comprehensive loss	(10,008)	(9,175)	(10,262)
Total stockholders' equity	1,605,888	1,461,117	1,640,940
Total liabilities and stockholders' equity	\$ 4,177,823	\$ 3,631,463	\$ 3,650,113

The accompanying notes are an integral part of these consolidated financial statements.

Knife River Corporation
Consolidated Statements of Equity
(Unaudited)

	Common Stock		Other Paid-in Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss	Total
	Shares	Amount			Shares	Amount		
	(In thousands, except shares)							
At December 31, 2025	57,095,301	\$ 571	\$ 629,637	\$ 1,024,620	(431,136)	\$ (3,626)	\$ (10,262)	\$ 1,640,940
Net loss	—	—	—	(79,176)	—	—	—	(79,176)
Other comprehensive income	—	—	—	—	—	—	127	127
Stock-based compensation expense	—	—	2,859	—	—	—	—	2,859
Common stock issued for employee compensation, net of tax withholding	89,690	1	(5,426)	—	—	—	—	(5,425)
At March 31, 2026	57,184,991	\$ 572	\$ 627,070	\$ 945,444	(431,136)	\$ (3,626)	\$ (10,135)	\$ 1,559,325
Net income	—	—	—	43,883	—	—	—	43,883
Other comprehensive income	—	—	—	—	—	—	127	127
Stock-based compensation expense	—	—	2,553	—	—	—	—	2,553
Common stock issued for board of director fees	9,565	—	—	—	—	—	—	—
At June 30, 2026	57,194,556	\$ 572	\$ 629,623	\$ 989,327	(431,136)	\$ (3,626)	\$ (10,008)	\$ 1,605,888

The accompanying notes are an integral part of these consolidated financial statements.

Knife River Corporation
Consolidated Statements of Equity
(Unaudited)

	Common Stock		Other Paid-in Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss	Total
	Shares	Amount			Shares	Amount		
	(In thousands, except shares)							
At December 31, 2024	57,043,841	\$ 570	\$ 620,897	\$ 867,546	(431,136)	\$ (3,626)	\$ (9,302)	\$ 1,476,085
Net loss	—	—	—	(68,710)	—	—	—	(68,710)
Other comprehensive income	—	—	—	—	—	—	63	63
Stock-based compensation expense	—	—	2,799	—	—	—	—	2,799
Common stock issued for employee compensation, net of tax withholding	39,656	1	(2,654)	—	—	—	—	(2,653)
At March 31, 2025	57,083,497	\$ 571	\$ 621,042	\$ 798,836	(431,136)	\$ (3,626)	\$ (9,239)	\$ 1,407,584
Net income	—	—	—	50,603	—	—	—	50,603
Other comprehensive income	—	—	—	—	—	—	64	64
Stock-based compensation expense	—	—	2,866	—	—	—	—	2,866
Common stock issued for board of director fees	11,804	—	—	—	—	—	—	—
At June 30, 2025	57,095,301	\$ 571	\$ 623,908	\$ 849,439	(431,136)	\$ (3,626)	\$ (9,175)	\$ 1,461,117

The accompanying notes are an integral part of these consolidated financial statements.

Knife River Corporation
Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
	2026	2025
	(In thousands)	
Operating activities:		
Net loss	\$ (35,293)	\$ (18,107)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation, depletion and amortization	108,508	88,967
Deferred income taxes	257	(133)
Provision for credit losses	729	441
Amortization of debt issuance costs	2,012	1,766
Employee stock-based compensation costs	5,412	5,665
Pension and postretirement benefit plan net periodic benefit cost	928	714
Unrealized gains on investments	(2,343)	(1,050)
Gains on sales of assets	(2,630)	(12,737)
Gains on bargain purchases	(235)	(3,547)
Equity in earnings of unconsolidated affiliates	(656)	(203)
Changes in current assets and liabilities, net of acquisitions:		
Receivables	(233,179)	(177,419)
Inventories	(66,228)	(59,895)
Other current assets	(22,508)	(18,149)
Accounts payable	87,576	36,198
Other current liabilities	16,664	(15,550)
Pension and postretirement benefit plan contributions	(278)	(287)
Other noncurrent changes	7,625	5,479
Net cash used in operating activities	(133,639)	(167,847)
Investing activities:		
Capital expenditures	(150,176)	(228,595)
Acquisitions, net of cash acquired	(184,405)	(501,917)
Net proceeds from sale or disposition of property and other	4,785	31,440
Investments	(2,803)	(2,873)
Net cash used in investing activities	(332,599)	(701,945)
Financing activities:		
Issuance of long-term debt	461,000	683,000
Repayment of long-term debt	(6,892)	(2,951)
Debt issuance costs	(3,835)	(11,070)
Tax withholding on stock-based compensation	(5,425)	(2,653)
Net cash provided by financing activities	444,848	666,326
Decrease in cash, cash equivalents and restricted cash	(21,390)	(203,466)
Cash, cash equivalents and restricted cash -- beginning of year	123,418	281,134
Cash, cash equivalents and restricted cash -- end of period	\$ 102,028	\$ 77,668

The accompanying notes are an integral part of these consolidated financial statements.

Knife River Corporation Notes to Consolidated Financial Statements

June 30, 2026 and 2025
(Unaudited)

Note 1 - Background

At Knife River, we are a people-first construction materials and contracting services company. We provide construction materials and contracting services to build safe roads, bridges, airport runways and other critical infrastructure needs that connect people with where they want to go and with the supplies they need. We are one of the leading providers of crushed stone and sand and gravel in the United States and operate across 15 states. We conduct our operations through four reportable segments: West, Mountain, Central and Energy Services.

Note 2 - Basis of Presentation

The accompanying consolidated interim financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Interim financial statements do not include all disclosures provided in annual financial statements and, accordingly, these financial statements should be read in conjunction with the Company's 2025 Annual Report on Form 10-K (Annual Report). The information is unaudited but includes adjustments that are, in the opinion of management, necessary for a fair presentation of the accompanying consolidated interim financial statements and are of a normal recurring nature.

All revenues and costs, as well as assets and liabilities, directly associated with our business activities are included in the consolidated financial statements. General corporate expenses are included in the Consolidated Statements of Operations within selling, general and administrative expenses and other income.

On March 7, 2025, we acquired Strata Corporation (Strata), a leading construction materials and contracting services provider in North Dakota and northwestern Minnesota. The purchase price for Strata totaled \$454.0 million and was subject to post-closing adjustments. The results of operations and balance sheet accounts for Strata are included in the consolidated financial statements from the date of acquisition.

In December 2025, we reclassified our retention receivables of \$42.8 million on a contract-by-contract basis from accounts receivable. The reclassification resulted in an increase to contract assets of \$31.8 million and a decrease to contract liabilities of \$11.0 million. This reclassification was due to FASB's clarification of retention receivables under ASC 606 and was applied on a prospective basis. Prior years quarters were not revised.

Management has also evaluated the impact of events occurring after June 30, 2026, up to the date of issuance of these consolidated interim financial statements on August 4, 2026, that would require recognition or disclosure in the Consolidated Financial Statements.

Principles of consolidation

For all periods, the audited consolidated financial statements were prepared in accordance with GAAP and include the accounts of Knife River and our wholly owned subsidiaries. All intercompany accounts and transactions between our businesses have been eliminated in the accompanying audited consolidated financial statements.

Use of estimates

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Estimates are used for items such as long-lived assets and goodwill; fair values of acquired assets and liabilities assumed under the acquisition method of accounting; aggregate reserves; property depreciable lives; tax provisions; revenue recognized using the cost-to-cost measure of progress for contracts; expected credit losses; environmental and other loss contingencies; costs on contracting services contracts; actuarially determined benefit costs; asset retirement obligations; present value of right-of-use assets and lease liabilities; and the valuation of stock-based compensation. These estimates are based on management's best knowledge of current events, historical experience, actions that we may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. As additional information becomes available, or actual amounts are determinable, the recorded estimates are revised. Consequently, operating results can be affected by revisions to prior accounting estimates.

Cash, cash equivalents and restricted cash

We consider all highly liquid investments with an original maturity of three months or less, when purchased, to be cash and cash equivalents. Restricted cash represents deposits held by our captive insurance company that is required by state insurance regulations to remain in the captive insurance company. Cash, cash equivalents and restricted cash on the Consolidated Balance Sheets is comprised of:

	June 30, 2026	June 30, 2025	December 31, 2025
	(In thousands)		
Cash and cash equivalents	\$ 40,687	\$ 26,614	\$ 73,821
Restricted cash	61,341	51,054	49,597
Cash, cash equivalents and restricted cash	\$ 102,028	\$ 77,668	\$ 123,418

Seasonality of operations

Some of our operations are seasonal and revenues from, and certain expenses for, such operations may fluctuate significantly among quarterly periods, with lower activity in the winter months and higher activity in the summer months. Accordingly, the interim results for particular segments, and for Knife River as a whole, may not be indicative of results for the full fiscal year or other future periods.

Note 3 - New Accounting Standards

The following table provides a brief description of the accounting pronouncements applicable to us and the potential impact on our consolidated financial statements and/or disclosures:

Standard	Description	Standard Effective Date	Impact on financial statements/disclosures
<i>Recently issued ASU's not yet adopted</i>			
ASU 2024-03 - Disaggregation of Income Statement Expenses	In November 2024, the FASB issued guidance on modifying the disclosure requirements to improve the disclosures for a public entity's expenses and address requests from investors for more detailed information about the types of expenses in commonly presented expense captions. The guidance is to be applied either on a prospective basis to the financial statements issued for reporting periods after the effective date or on a retrospective basis to the financial statements to all prior periods presented in the financial statements. Early adoption is permitted.	Annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027.	We are currently evaluating the impact the guidance will have on our disclosures for the year ended December 31, 2027 and interim periods for fiscal year 2028.
ASU 2025-06 - Targeted Improvements to the Accounting for Internal-Use Software	In September 2025, the FASB issued guidance to provide targeted improvements to the accounting for internal-use software which is intended to modernize the recognition and capitalization framework to reflect current software development practices. Under this guidance, eligible software development costs will begin capitalization when management has authorized and committed to funding the software project, and it is probable that the project will be completed and the software will be used to perform the function intended.	Annual reporting periods beginning after December 15, 2027 and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period.	We are currently evaluating the impact this guidance will have on our financial statements and disclosures.

Note 4 - Receivables and Allowance for Expected Credit Losses

Receivables consist primarily of trade and contract receivables for the sale of goods and services net of expected credit losses. A majority of our receivables are due in 30 days or less. The total balance of receivables past due 90 days or more was \$17.2 million, \$17.2 million and \$15.3 million at June 30, 2026, June 30, 2025 and December 31, 2025, respectively. Receivables were as follows:

	June 30, 2026	June 30, 2025	December 31, 2025
	(In thousands)		
Trade receivables	\$ 269,636	\$ 242,259	\$ 155,836
Contract receivables	204,324	190,434	127,383
Receivables, gross	473,960	432,693	283,219
Less expected credit loss	5,548	4,595	5,189
Receivables, net	\$ 468,412	\$ 428,098	\$ 278,030

Our expected credit losses are determined through a review using historical credit loss experience; changes in asset specific characteristics; current conditions; and reasonable and supportable future forecasts, among other specific account data, and is

performed at least quarterly. We develop and document our methodology to determine our allowance for expected credit losses. Risk characteristics used by management may include customer mix, knowledge of customers and general economic conditions of the various local economies, among others. Specific account balances are written off when management determines the amounts to be uncollectible. Management has reviewed the balance reserved through the allowance for expected credit losses and believes it is reasonable.

Details of our expected credit losses were as follows:

	West	Mountain	Central	Energy Services	Total
	(In thousands)				
As of December 31, 2025	\$ 2,405	\$ 274	\$ 1,602	\$ 908	\$ 5,189
Current expected credit loss provision	67	(34)	70	37	140
Less write-offs charged against the allowance	174	52	11	37	274
At March 31, 2026	\$ 2,298	\$ 188	\$ 1,661	\$ 908	\$ 5,055
Current expected credit loss provision	306	132	93	58	589
Less write-offs charged against the allowance	43	40	7	6	96
At June 30, 2026	\$ 2,561	\$ 280	\$ 1,747	\$ 960	\$ 5,548

	West	Mountain	Central	Energy Services	Total
	(In thousands)				
As of December 31, 2024	\$ 2,478	\$ 780	\$ 921	\$ 166	\$ 4,345
Current expected credit loss provision	—	42	30	263	335
Less write-offs charged against the allowance	73	8	18	263	362
At March 31, 2025	\$ 2,405	\$ 814	\$ 933	\$ 166	\$ 4,318
Current expected credit loss provision	81	86	147	(208)	106
Less write-offs charged against the allowance	32	10	(5)	(208)	(171)
At June 30, 2025	\$ 2,454	\$ 890	\$ 1,085	\$ 166	\$ 4,595

Note 5 - Inventories

Inventories on the Consolidated Balance Sheets were as follows:

	June 30, 2026	June 30, 2025	December 31, 2025
	(In thousands)		
Finished products	\$ 328,173	\$ 314,565	\$ 304,281
Raw materials	129,702	120,210	91,069
Supplies and parts	49,450	44,746	40,364
Total	\$ 507,325	\$ 479,521	\$ 435,714

Inventories are valued at the lower of cost or net realizable value using the average cost method. Inventories include production costs incurred as part of our aggregate mining activities. These inventoriable production costs include all mining and processing costs associated with the production of aggregates. Stripping costs incurred during the production phase, which represent costs of removing overburden and waste materials to access mineral deposits, are a component of inventoriable production costs.

Note 6 - Net Income (Loss) Per Share

Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the applicable period. Diluted earnings per share is computed by dividing net income by the total of the weighted average number of shares of common stock outstanding during the applicable period, plus the effect of non-vested performance shares and restricted stock units. Our potentially dilutive securities have been excluded from the computation of diluted net loss per share as the effect would reduce the net loss per share and is considered antidilutive. Basic and diluted net income (loss) per share are calculated as follows, based on a reconciliation of the weighted-average common shares outstanding on a basic and diluted basis:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
(In thousands, except per share amounts)				
Net income (loss)	\$ 43,883	\$ 50,603	\$ (35,293)	\$ (18,107)
Weighted average common shares outstanding - basic	56,758	56,657	56,734	56,642
Effect of dilutive performance shares and restricted stock units	120	255	—	—
Weighted average common shares outstanding - diluted	56,878	56,912	56,734	56,642
Shares excluded from the calculation of diluted income (loss) per share	10	—	114	263
Net income (loss) per share - basic	\$ 0.77	\$ 0.89	\$ (0.62)	\$ (0.32)
Net income (loss) per share - diluted	\$ 0.77	\$ 0.89	\$ (0.62)	\$ (0.32)

Note 7 - Accumulated Other Comprehensive Loss

Comprehensive income (loss) is comprised of net income (loss) and other comprehensive income (loss). The only component of other comprehensive income (loss) is the amortization of postretirement liability losses for our benefit plans. As of June 30, 2026 and 2025, and December 31, 2025, accumulated other comprehensive loss was \$10.0 million, \$9.2 million and \$10.3 million, respectively.

For the three months ended June 30, 2026 and 2025, we amortized \$127,000 and \$64,000, respectively, of expense into other income, and \$41,000 and \$20,000, respectively, into income taxes. For the six months ended June 30, 2026 and 2025, we amortized \$254,000 and \$127,000, respectively, of expense into other income, and \$82,000 and \$40,000, respectively, into income taxes.

Note 8 - Revenue from Contracts with Customers

Revenue is recognized when a performance obligation is satisfied by transferring control over a product or service to a customer. Revenue includes revenue from the sales of construction materials and contracting services. Revenue is measured based on consideration specified in a contract with a customer and excludes any sales incentives and amounts collected on behalf of third parties. We are considered an agent for certain taxes collected from customers. As such, we present revenues net of these taxes at the time of sale to be remitted to governmental authorities, including sales and use taxes. Revenue for construction materials is recognized at a point in time when delivery of the products has taken place. Contracting services revenue is recognized over time using an input method based on the cost-to-cost measure of progress on a project.

Disaggregation

In the following tables, revenue is disaggregated by category for each segment and includes sales of materials to both third parties and internal customers. Due to consolidation requirements, the internal sales revenues must be eliminated against the construction materials product used in downstream materials and contracting services to arrive at the external operating revenues. We believe this level of disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. For more information on the Company's reportable segments, see Note 15.

Three Months Ended June 30, 2026	West	Mountain	Central	Energy Services	Corporate Services and Eliminations	Total
	(In thousands)					
Aggregates	\$ 79,972	\$ 36,200	\$ 78,521	\$ —	\$ —	194,693
Ready-mix concrete	88,215	42,717	105,805	—	—	236,737
Asphalt	39,133	42,608	51,767	—	—	133,508
Liquid asphalt	—	—	—	91,350	—	91,350
Other	49,295	1,201	13,700	15,674	3,916	83,786
Contracting services public-sector	75,880	112,960	131,761	—	—	320,601
Contracting services private-sector	21,936	50,386	13,530	—	—	85,852
Internal sales	(64,908)	(49,586)	(69,717)	(20,108)	(3,621)	(207,940)
Revenues from contracts with customers	\$ 289,523	\$ 236,486	\$ 325,367	\$ 86,916	\$ 295	938,587

Three Months Ended June 30, 2025	West	Mountain	Central	Energy Services	Corporate Services and Eliminations	Total
	(In thousands)					
Aggregates	\$ 74,830	\$ 29,350	\$ 61,776	\$ —	\$ —	165,956
Ready-mix concrete	89,951	35,707	80,323	—	—	205,981
Asphalt	38,545	28,792	43,495	—	—	110,832
Liquid asphalt	—	—	—	85,894	—	85,894
Other	49,278	2	12,599	14,219	3,453	79,551
Contracting services public-sector	88,459	80,926	101,252	—	—	270,637
Contracting services private-sector	32,693	29,761	7,093	—	—	69,547
Internal sales	(56,561)	(28,417)	(51,476)	(14,967)	(3,218)	(154,639)
Revenues from contracts with customers	\$ 317,195	\$ 176,121	\$ 255,062	\$ 85,146	\$ 235	833,759

Six Months Ended June 30, 2026	West	Mountain	Central	Energy Services	Corporate Services and Eliminations	Total
	(In thousands)					
Aggregates	\$ 144,744	\$ 49,763	\$ 103,698	\$ —	\$ —	298,205
Ready-mix concrete	162,166	65,354	153,763	—	—	381,283
Asphalt	51,893	45,405	57,185	—	—	154,483
Liquid asphalt	—	—	—	109,543	—	109,543
Other	83,903	1,203	17,717	19,702	7,849	130,374
Contracting services public-sector	123,286	153,000	158,370	—	—	434,656
Contracting services private-sector	42,299	61,191	16,123	—	—	119,613
Internal sales	(107,784)	(58,195)	(80,295)	(25,751)	(7,414)	(279,439)
Revenues from contracts with customers	\$ 500,507	\$ 317,721	\$ 426,561	\$ 103,494	\$ 435	1,348,718

Six Months Ended June 30, 2025	West	Mountain	Central	Energy Services	Corporate Services and Eliminations	Total
	(In thousands)					
Aggregates	\$ 131,087	\$ 37,393	\$ 78,868	\$ —	\$ —	247,348
Ready-mix concrete	159,732	48,793	105,914	—	—	314,439
Asphalt	47,411	29,290	50,266	—	—	126,967
Liquid asphalt	—	—	—	98,122	—	98,122
Other	83,683	5	15,016	17,214	7,123	123,041
Contracting services public-sector	127,231	117,105	125,528	—	—	369,864
Contracting services private-sector	61,528	41,591	7,265	—	—	110,384
Internal sales	(85,459)	(32,063)	(59,953)	(18,645)	(6,814)	(202,934)
Revenues from contracts with customers	\$ 525,213	\$ 242,114	\$ 322,904	\$ 96,691	\$ 309	1,187,231

Note 9 - Uncompleted Contracts

The timing of revenue recognition may differ from the timing of invoicing to customers. The timing of invoicing to customers does not necessarily correlate with the timing of revenues being recognized under the cost-to-cost method of accounting. Contracts from contracting services are billed as work progresses in accordance with agreed upon contractual terms. Generally, billing to the customer occurs contemporaneous to revenue recognition. A variance in timing of the billings may result in a contract asset or a contract liability. A contract asset occurs when revenues are recognized under the cost-to-cost measure of progress, which exceeds amounts billed on uncompleted contracts. Such amounts will be billed as standard contract terms allow, usually based on various measures of performance or achievement. A contract liability occurs when there are billings in excess of revenues recognized under the cost-to-cost measure of progress on uncompleted contracts. Contract liabilities decrease as revenue is recognized from the satisfaction of the related performance obligation.

The changes in contract assets and liabilities were as follows:

	June 30, 2026	December 31, 2025	Change
	(In thousands)		
Contract assets	\$ 121,925	\$ 77,528	\$ 44,397
Contract liabilities	(26,640)	(33,773)	7,133
Net contract assets	\$ 95,285	\$ 43,755	\$ 51,530

	June 30, 2025	December 31, 2024	Change
	(In thousands)		
Contract assets ¹	\$ 63,964	\$ 31,283	\$ 32,681
Contract liabilities ¹	(36,306)	(42,126)	5,820
Net contract assets (liabilities)	\$ 27,658	\$ (10,843)	\$ 38,501

1. Following the issuance of the FASB Staff Educational Paper on Topic 606: Presentation and Disclosure of Retainage for Construction Contractors, we have reclassified retention receivables on a contract-by-contract basis from accounts receivable to contract assets and liabilities. The change in presentation was on a prospective basis beginning with balances as of December 31, 2025.

We recognized \$8.3 million and \$28.4 million in revenue for the three and six months ended June 30, 2026, respectively, which was previously included in contract liabilities at December 31, 2025. We recognized \$9.7 million and \$37.9 million in revenue for the three and six months ended June 30, 2025, respectively, which was previously included in contract liabilities at December 31, 2024.

We recognized a net increase in revenues of \$2.0 million and \$3.6 million for the three and six months ended June 30, 2026, respectively, from performance obligations satisfied in prior periods. We recognized a net increase in revenues of \$11.8 million and \$18.1 million for the three and six months ended June 30, 2025, respectively, from performance obligations satisfied in prior periods.

Remaining performance obligations

The remaining performance obligations, also referred to as backlog, include unrecognized revenues that we reasonably expect to be realized. These unrecognized revenues can include: projects that have a written award, a letter of intent, a notice to proceed, an agreed upon work order to perform work on mutually accepted terms and conditions, and change orders or claims to the extent management believes additional contract revenues will be earned and are deemed probable of collection. The majority of our contracts for contracting services have an original duration of less than one year.

At June 30, 2026, our remaining performance obligations were \$1.2 billion. We expect to recognize the following revenue amounts in future periods related to these remaining performance obligations: \$984.3 million within the next 12 months or less; \$143.6 million within the next 13 to 24 months; and \$88.1 million in 25 months or more.

Note 10 - Acquisitions and Dispositions**Acquisitions**

The following acquisitions were accounted for as business combinations in accordance with ASC 805 - *Business Combinations*. The results of the business combinations have been included in the Company's Consolidated Financial Statements beginning on the acquisition dates. Pro forma financial amounts reflecting the effects of the business combinations are not presented, as none of these business combinations, individually or in the aggregate, were material to our financial position or results of operations.

Acquisitions are also subject to customary adjustments based on, among other things, the amount of cash, debt and working capital in the business as of the closing date. The amounts included in the Consolidated Balance Sheets for these adjustments are considered provisional until final settlement has occurred.

The fair values of assets acquired and liabilities assumed are considered provisional until final fair values are determined during the measurement period. We expect to record adjustments as we accumulate the information needed to estimate the fair value of assets acquired and liabilities assumed, including working capital balances, estimated fair value of identifiable intangible assets, property, plant and equipment, total consideration and goodwill. We will utilize market and cost approaches to estimate the fair value of the property, plant and equipment, excluding aggregate reserves. The fair value of aggregate reserves and intangible assets are determined using the income approach. All estimates, key assumptions, and forecasts were either provided by or reviewed by management. We have engaged third-party valuation firms to assist in the analysis and valuation of certain assets. While we chose to utilize third-party valuation firms, the fair value analysis and related valuations represent the conclusions of management and not the conclusions or statements of any third party.

The excess of the total purchase price over the fair value of assets acquired and liabilities assumed has been allocated to goodwill. We believe that the goodwill relates to several factors, including potential synergies related to market opportunities for multiple product offerings and economies of scale expected from combining our operations with the businesses acquired.

During the first six months of 2026, we completed the following four acquisitions:

- Two aggregates-based operations in Montana; one operation consists of a ready-mix concrete business supported by owned aggregate reserves, while the other includes owned aggregate reserves, ready-mix operations and precast concrete manufacturing capabilities. The results of these acquisitions are included in the Mountain segment. The fair value of the assets acquired and liabilities assumed were final as of June 30, 2026.
- An aggregates-based company in Utah that consists of owned aggregate reserves, asphalt production and contracting services; this acquisition expanded our footprint into a new state. The results of this company are included in the Mountain segment. The fair value of the assets acquired and liabilities assumed were provisional as of June 30, 2026.
- An aggregates-based, vertically integrated supplier of aggregates, asphalt, contracting and paving services in Oregon, expanding our services in Southwest Oregon. The results of this acquisition is included in the West segment and resulted in a bargain purchase gain of \$235,000. The fair value of the assets acquired and liabilities assumed were final as of June 30, 2026.

The aggregated purchase consideration for these four acquisitions was \$184.4 million, net of cash assumed, and subject to post-closing adjustments. These acquisitions were not considered material separately or in the aggregate. The acquisitions resulted in the recognition of \$11.0 million of current assets; \$119.4 million of assets in property, plant and equipment; \$65.1 million of goodwill; \$4.2 million of intangible assets, which is all customer relationships; \$8.2 million of deferred income tax liability; \$6.2 million of current liabilities; and \$880,000 of noncurrent liabilities - other. During the second quarter of 2026, we recorded an increase to goodwill of \$11.7 million, primarily as a result of revised fair value amounts for property, plant and equipment.

Revenue attributable to the acquisitions completed in 2026 included in our Consolidated Statement of Operations for the three and six months ended June 30, 2026 was \$25.1 million and \$27.6 million, respectively, and net income of \$730,000 and net loss of \$1.6 million, respectively.

During 2025, we completed five acquisitions with an aggregated purchase price of \$622.2 million. As of June 30, 2026, the purchase accounting was complete on all of the acquisitions and no material adjustments were needed. During the first half of 2026, we recorded a reduction to goodwill of \$780,000, related to an increase of \$3.0 million in intangibles and a decrease of \$2.2 million in property, plant and equipment for acquisitions completed in 2025.

For the three months ended June 30, 2026 and 2025, we incurred acquisition-related costs on completed and other potential acquisitions of \$1.5 million and \$1.6 million, respectively. For the six months ended June 30, 2026 and 2025, we incurred acquisition-related costs on completed and other potential acquisitions of \$3.5 million and \$6.9 million, respectively. These costs are included in our Corporate Services in selling, general and administrative expenses on the Consolidated Statement of Operations.

Dispositions

On March 7, 2025, we sold four ready-mix plant operations for total proceeds of \$14.5 million. The ready-mix plant operations were acquired by us as part of the Strata acquisition and subsequently sold to a third-party. The ready-mix plants were included in assets held for sale on the opening balance sheet for Strata at the time of the acquisition.

Note 11 - Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill were as follows:

	Balance at January 1, 2026	Goodwill Acquired During the Year	Measurement Period Adjustments	Balance at June 30, 2026
		(In thousands)		
West	\$ 137,575	\$ —	\$ 306	\$ 137,881
Mountain	26,816	54,205	10,903	91,924
Central	323,903	—	(1,086)	322,817
Energy Services	31,374	—	—	31,374
Total	\$ 519,668	\$ 54,205	\$ 10,123	\$ 583,996

	Balance at January 1, 2025	Goodwill Acquired During the Year	Measurement Period Adjustments	Balance at June 30, 2025
		(In thousands)		
West	\$ 123,674	\$ —	\$ —	\$ 123,674
Mountain	26,816	—	—	26,816
Central	115,322	172,491	(5,544)	282,269
Energy Services	31,413	—	(39)	31,374
Total	\$ 297,225	\$ 172,491	\$ (5,583)	\$ 464,133

	Balance at January 1, 2025	Goodwill Acquired During the Year	Measurement Period Adjustments	Balance at December 31, 2025
		(In thousands)		
West	\$ 123,674	\$ 11,904	\$ 1,997	\$ 137,575
Mountain	26,816	—	—	26,816
Central	115,322	212,962	(4,381)	323,903
Energy Services	31,413	—	(39)	31,374
Total	\$ 297,225	\$ 224,866	\$ (2,423)	\$ 519,668

Other amortizable intangible assets were as follows:

	June 30, 2026	June 30, 2025	December 31, 2025
	(In thousands)		
Customer relationships	\$ 36,030	\$ 32,503	\$ 34,699
Less accumulated amortization	17,558	13,316	15,789
	18,472	19,187	18,910
Noncompete agreements	2,655	3,107	3,107
Less accumulated amortization	2,537	2,797	2,904
	118	310	203
Tradenname	7,470	7,470	7,470
Less accumulated amortization	1,245	498	871
	6,225	6,972	6,599
Backlog	3,390	9,290	10,395
Less accumulated amortization	324	3,290	9,052
	3,066	6,000	1,343
Other	6,200	5,968	5,968
Less accumulated amortization	410	290	343
	5,790	5,678	5,625
Total	\$ 33,671	\$ 38,147	\$ 32,680

The previous tables include goodwill and intangible assets associated with the business combinations completed in 2026 and 2025. For more information related to these business combinations, see Note 10.

Amortization expense for amortizable intangible assets for the three and six months ended June 30, 2026, was \$3.3 million and \$6.4 million, respectively. Amortization expense for amortizable intangible assets for the three and six months ended June 30, 2025, was \$5.0 million and \$6.1 million, respectively. Estimated amortization expense for identifiable intangible assets as of June 30, 2026, was:

	Remainder of 2026	2027	2028	2029	2030	Thereafter
	(In thousands)					
Amortization expense	\$ 5,379	\$ 4,828	\$ 4,340	\$ 3,736	\$ 2,916	\$ 12,472

Note 12 - Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The fair value guidance establishes a hierarchy for grouping assets and liabilities, based on the significance of inputs. The estimated fair values of the assets and liabilities measured on a recurring basis are determined using the market approach.

Financial instruments measured at fair value on a recurring basis

We measure our investments in certain fixed-income and equity securities at fair value with changes in fair value recognized in income. We anticipate using these investments, which consist of insurance contracts, to satisfy our obligations under our unfunded, nonqualified defined benefit and defined contribution plans for our executive officers and certain key management employees, and invest in these fixed-income and equity securities for the purpose of earning investment returns and capital appreciation. These investments, which totaled \$38.9 million, \$32.2 million and \$34.0 million at June 30, 2026 and 2025, and December 31, 2025, respectively, are classified as investments on the Consolidated Balance Sheets. The net unrealized gains on these investments were \$3.1 million and \$1.8 million for the three months ended and \$2.3 million and \$1.1 million for the six months ended June 30, 2026 and 2025, respectively. The change in fair value, which is considered part of the cost of the plan, is classified in other income on the Consolidated Statements of Operations.

The Company's assets measured at fair value on a recurring basis were as follows:

	Fair Value Measurements at June 30, 2026, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2026
	(In thousands)			
Assets:				
Money market funds	\$ —	\$ 2,729	\$ —	2,729
Insurance contracts	—	38,945	—	38,945
Total assets measured at fair value	\$ —	\$ 41,674	\$ —	41,674

	Fair Value Measurements at June 30, 2025, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2025
	(In thousands)			
Assets:				
Money market funds	\$ —	\$ 2,718	\$ —	2,718
Insurance contracts	—	32,241	—	32,241
Total assets measured at fair value	\$ —	\$ 34,959	\$ —	34,959

	Fair Value Measurements at December 31, 2025, Using			Balance at December 31, 2025
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	(In thousands)			
Assets:				
Money market funds	\$ —	\$ 2,775	\$ —	2,775
Insurance contracts	—	33,982	—	33,982
Total assets measured at fair value	\$ —	\$ 36,757	\$ —	36,757

Our Level 2 money market funds are valued at the net asset value of shares held at the end of the period, based on published market quotations on active markets, or using other known sources including pricing from outside sources. The estimated fair value of the Level 2 insurance contracts is based on contractual cash surrender values that are determined primarily by investments in managed separate accounts of the insurer. These amounts approximate fair value. The managed separate accounts are valued based on other observable inputs or corroborated market data.

Though we believe the methods used to estimate fair value are consistent with those used by other market participants, the use of other methods or assumptions could result in a different estimate of fair value.

Nonfinancial instruments measured at fair value on a nonrecurring basis

We apply the provisions of the fair value measurement standard to our nonrecurring, non-financial measurements, including long-lived asset impairments. These assets are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances. We review the carrying value of our long-lived assets, excluding goodwill, whenever events or changes in circumstances indicate that such carrying amounts may not be recoverable.

The assets and liabilities of the acquisitions that occurred through June 30, 2026 and 2025 were calculated using a market or cost approach. The fair value of some of the assets was determined based on Level 3 inputs including estimated future cash flows, discount rates, growth rates and sales projections, all of which require significant management judgment. For more information on these Level 2 and 3 fair value measurements, see Note 10.

Our long-term debt is not measured at fair value on the Consolidated Balance Sheets and the fair value is being provided for disclosure purposes only. The fair value was categorized as Level 2 in the fair value hierarchy and was based on discounted cash flows using current market interest rates. The estimated fair value of our Level 2 long-term debt was as follows:

	June 30, 2026	June 30, 2025	December 31, 2025
	(In thousands)		
Carrying amount	\$ 1,635,249	\$ 1,369,999	\$ 1,181,142
Fair value	\$ 1,648,916	\$ 1,395,807	\$ 1,202,247

The carrying amounts of our remaining financial instruments included in current assets and current liabilities approximate their fair values.

Note 13 - Debt

Certain debt instruments of ours contain restrictive covenants and cross-default provisions. In order to borrow under the debt agreements, we must be in compliance with the applicable covenants and certain other conditions, all of which management believes we, as applicable, were in compliance with at June 30, 2026. In the event we do not comply with the applicable covenants and other conditions, alternative sources of funding may need to be pursued.

On May 15, 2026, we entered into a second amendment to our secured credit agreement, increasing our Term Loan B by an aggregate principal amount of \$400.0 million and reducing the interest rate margin by 0.25%. After the second amendment, the aggregate principal amount of the Term Loan B outstanding was \$895.0 million. Our Term Loan B has a Secured Overnight Financing Rate based interest rate and a mandatory annual amortization of \$9.0 million.

Long-term Debt Outstanding Long-term debt outstanding was as follows:

	Weighted Average Interest Rate at June 30, 2026	June 30, 2026	June 30, 2025	December 31, 2025
		(In thousands)		
Term loan A agreement due on March 7, 2030	5.48 %	\$ 256,416	\$ 263,033	\$ 259,725
Term loan B agreement due on March 8, 2032	5.40 %	892,762	498,750	496,250
Revolving credit agreement	7.50 %	61,000	183,000	—
Senior notes due on May 1, 2031	7.75 %	425,000	425,000	425,000
Other notes due on January 1, 2061	— %	71	216	167
Less unamortized debt issuance costs		17,943	17,045	15,604
Total long-term debt		1,617,306	1,352,954	1,165,538
Less current maturities		17,221	11,780	11,708
Net long-term debt		\$ 1,600,085	\$ 1,341,174	\$ 1,153,830

Schedule of Debt Maturities Long-term debt maturities, which excludes unamortized debt issuance costs, at June 30, 2026, were as follows:

	Remainder of 2026	2027	2028	2029	2030	Thereafter
	(In thousands)					
Long-term debt maturities	\$ 7,784	\$ 20,601	\$ 22,184	\$ 27,147	\$ 280,046	\$ 1,277,487

Note 14 - Cash Flow Information

Cash expenditures for interest and income taxes were as follows:

		Six Months Ended	
		June 30,	
		2026	2025
		(In thousands)	
Interest paid, net	\$	38,654	\$ 35,179
Income taxes paid, net	\$	1,033	\$ 4,091

Noncash investing and financing transactions were as follows:

		Six Months Ended	
		June 30,	
		2026	2025
		(In thousands)	
Property, plant and equipment additions in accounts payable	\$	8,398	\$ 6,127
Right-of-use assets obtained in exchange for new operating lease liabilities	\$	7,410	\$ 7,671
Accrual for holdback payment related to a business combination	\$	5,695	\$ —

Note 15 - Business Segment Data

We focus on the vertical integration of our products and services by offering customers a single source for construction materials and related contracting services. We operate in 15 states across the United States through our four operating segments: West, Mountain, Central and Energy Services, each of which is also a reportable segment. Each segment's performance is evaluated based on segment results without allocating corporate expenses, which include corporate costs associated with accounting, legal, treasury, business development, information technology, human resources, and other corporate expenses that support the operating segments.

Three of our reportable segments are aligned by key geographic areas due to the production of construction materials and related contracting services and one is based on product line. Each segment is led by a segment manager who reports to our chief operating officer, who is also our chief operating decision maker, along with the chief executive officer. Our chief operating decision maker uses EBITDA to evaluate the performance of the segments, perform analytical comparisons to budget and uses historical and projected EBITDA to allocate resources, including capital allocations.

Each geographic segment offers a vertically integrated suite of products and services, including aggregates, ready-mix concrete, asphalt and contracting services, while the Energy Services segment produces and supplies liquid asphalt, primarily for use in asphalt road construction, and is a supplier to some of the other segments. Each geographic segment mines, processes and sells construction aggregates (crushed stone and sand and gravel); produces and sells asphalt; and produces and sells ready-mix concrete as well as vertically integrating its contracting services to support the aggregate-based product lines including heavy-civil construction, asphalt and concrete paving, and site development and grading. Although not common to all locations, the geographic segments also sell cement, merchandise and other building materials and related services.

Corporate Services represents the unallocated costs of certain corporate functions, such as accounting, legal, treasury, business development, information technology, human resources and other corporate expenses that support the operating segments. Corporate Services also includes an immaterial amount of external revenue from the Knife River Training Center. We account for intersegment sales and transfers as if the sales or transfers were to third parties. The accounting policies applicable to each segment are consistent with those used in the audited consolidated financial statements.

The information that follows uses the same accounting policies as described in the audited financial statements and notes included in the Company's 2025 Annual Report. Information on our segments was as follows:

	Three Months Ended June 30, 2026					Three Months Ended June 30, 2025				
	West	Mountain	Central	Energy Services	Total	West	Mountain	Central	Energy Services	Total
(In thousands)										
Revenues from external customers	\$ 289,523	\$ 236,486	\$ 325,367	\$ 86,916	\$ 938,292	\$ 317,195	\$ 176,121	\$ 255,062	\$ 85,146	\$ 833,524
Intersegment revenues	856	—	203	16,134	17,193	206	—	130	12,234	12,570
Total segment revenue	290,379	236,486	325,570	103,050	955,485	317,401	176,121	255,192	97,380	846,094
Other revenues ¹					443					337
Less: Elimination of intersegment revenue					17,341					12,672
Total consolidated revenue					\$ 938,587					\$ 833,759
Cost of revenue excluding depreciation, depletion and amortization	218,821	193,794	248,890	79,499		234,634	136,976	195,820	77,260	
Selling, general and administrative expenses excluding depreciation, depletion and amortization	22,652	11,842	23,661	3,868		21,821	8,356	15,316	3,120	
Other segment items ²	316	176	581	152		(176)	121	341	79	
Total segment EBITDA	\$ 49,222	\$ 31,026	\$ 53,600	\$ 19,835	\$ 153,683	\$ 60,770	\$ 30,910	\$ 44,397	\$ 17,079	\$ 153,156
Consolidated income before income taxes					59,844					67,948
Plus:										
Depreciation, depletion and amortization					56,357					50,204
Interest expense, net ³					24,014					21,546
Less unallocated amounts:										
Other corporate revenue					295					235
Other corporate expenses					(13,763)					(13,693)
Total segment EBITDA					\$ 153,683					\$ 153,156

¹ Other revenues is comprised of revenue included within our corporate services.

² Other segment items is comprised of other income (expense) items on the income statement.

³ Interest expense, net is interest expense net of interest income.

	Six Months Ended June 30, 2026					Six Months Ended June 30, 2025				
	West	Mountain	Central	Energy Services	Total	West	Mountain	Central	Energy Services	Total
(In thousands)										
Revenues from external customers	\$ 500,507	\$ 317,721	\$ 426,561	\$ 103,494	\$ 1,348,283	\$ 525,213	\$ 242,114	\$ 322,904	\$ 96,691	\$ 1,186,922
Intersegment revenues	1,649	—	216	20,005	21,870	480	—	143	14,632	15,255
Total segment revenue	502,156	317,721	426,777	123,499	1,370,153	525,693	242,114	323,047	111,323	1,202,177
Other revenues ¹					956					867
Less: Elimination of intersegment revenue					22,391					15,813
Total consolidated revenue					\$ 1,348,718					\$ 1,187,231
Cost of revenue excluding depreciation, depletion and amortization	384,835	271,560	353,667	100,835		399,647	209,930	269,475	94,877	
Selling, general and administrative expenses excluding depreciation, depletion and amortization	45,743	23,504	46,930	7,581		43,468	17,655	33,786	7,217	
Other segment items ²	(144)	147	586	123		3,106	114	319	49	
Total segment EBITDA	\$ 71,434	\$ 22,804	\$ 26,766	\$ 15,206	\$ 136,210	\$ 85,684	\$ 14,643	\$ 20,105	\$ 9,278	\$ 129,710
Consolidated loss before income taxes					(47,762)					(25,401)
Plus:										
Depreciation, depletion and amortization					108,508					88,967
Interest expense, net ³					44,080					34,669
Less unallocated amounts:										
Other corporate revenue					435					308
Other corporate expenses					(31,819)					(31,783)
Total segment EBITDA					\$ 136,210					\$ 129,710
Capital expenditures	\$ 27,359	\$ 31,130	\$ 71,608	\$ 5,537	\$ 135,634	\$ 132,516	\$ 29,420	\$ 46,375	\$ 3,450	\$ 211,761
Assets	\$ 1,553,451	\$ 627,882	\$ 1,506,425	\$ 320,011	\$ 4,007,769	\$ 1,470,836	\$ 402,363	\$ 1,317,920	\$ 309,690	\$ 3,500,809
Other assets					5,698,907					5,018,536
Elimination of intercompany receivables and investment in subsidiaries					5,528,853					4,887,882
Total consolidated assets					\$ 4,177,823					\$ 3,631,463

1 Other revenues is comprised of revenue included within our corporate services.

2 Other segment items is comprised of other income (expense) items on the income statement.

3 Interest expense, net is interest expense net of interest income.

Note 16 - Commitments and Contingencies

We are party to claims and lawsuits arising out of our business and that of our consolidated subsidiaries, which may include, but are not limited to, matters involving property damage, personal injury, and environmental, contractual and statutory obligations. We accrue a liability for those contingencies when the incurrence of a loss is probable, and the amount can be reasonably estimated. If a range of amounts can be reasonably estimated and no amount within the range is a better estimate than any other amount, then the minimum of the range is accrued. We do not accrue liabilities when the likelihood that the liability has been incurred is probable, but the amount cannot be reasonably estimated or when the liability is believed to be only reasonably possible or remote. For contingencies where an unfavorable outcome is probable or reasonably possible and which are material, we disclose the nature of the contingency and, in some circumstances, an estimate of the possible loss.

Accruals are based on the best information available, but in certain situations management is unable to estimate an amount or range of a reasonably possible loss, including, but not limited to, when: (1) the damages are unsubstantiated or indeterminate, (2) the proceedings are in the early stages, (3) numerous parties are involved, or (4) the matter involves novel or unsettled legal theories.

At June 30, 2026 and 2025, and December 31, 2025, we accrued contingent liabilities as a result of litigation, which have not been discounted, of \$3.1 million, \$3.1 million and \$3.3 million, respectively.

At June 30, 2026 and 2025, and December 31, 2025, there were no corresponding insurance receivables recorded. The accruals are for contingencies, including litigation and environmental matters. Most of these claims and lawsuits are covered by insurance, thus our exposure is typically limited to our deductible amount. We will continue to monitor each matter and adjust accruals as might be warranted based on new information and further developments. Management believes that the outcomes with respect to probable and reasonably possible losses in excess of the amounts accrued, net of insurance recoveries, while uncertain, either cannot be estimated or will not have a material effect upon our financial position, results of operations or cash flows. Unless otherwise required by GAAP, legal costs are expensed as they are incurred.

Environmental matters

Prineville, Oregon: In July 2026, three lawsuits titled *McCormick v. Knife River Corp.*, Case No. 26 CV 35046, *Thompson v. Knife River Corp.*, Case No. 26 CV 35556, and *Zednik v. Knife River Corp.*, Case No. 26 CV 35823, respectively, were filed in the Multnomah County Circuit Court against the Company. In each complaint, the plaintiffs allege claims for negligence, negligence per se, trespass, trespass to chattels, private nuisance, and public nuisance in connection with claims of elevated levels of metals in their well water allegedly caused by mining activities at our Woodward Site near Prineville, Oregon. The plaintiffs have alleged personal injury and property damages and seek compensation in the form of economic and non-economic damages.

We intend to vigorously defend these actions in all respects. Given the early stage of the litigation, we are not in a position to assess the likelihood of any potential loss or adverse effect on our financial condition or to estimate the amount or range of potential loss, if any, from these actions at this time.

Portland, Oregon: Knife River Corporation - Northwest is a party to claims for the cleanup of a superfund site in Portland, Oregon. There were no material changes to the environmental matters that were previously reported in the audited financial statements and notes included in our 2025 Annual Report.

Guarantees

We have outstanding obligations to third parties where we have guaranteed our performance. These guarantees are related to contracts for contracting services and certain other guarantees. At June 30, 2026, the fixed maximum amounts guaranteed under these agreements aggregated to \$11.5 million, all of which have no scheduled maturity date. Certain of the guarantees also have no fixed maximum amounts specified. There were no amounts outstanding under the previously mentioned guarantees at June 30, 2026.

We have outstanding letters of credit to third parties related to insurance policies and other agreements. At June 30, 2026, the fixed maximum amounts guaranteed under these letters of credit aggregated to \$51.9 million. At June 30, 2026, the amounts of scheduled expiration of the maximum amounts guaranteed under these letters of credit aggregate to \$756,000 in 2026, \$50.9 million in 2027, and \$175,000 in 2028. There were no amounts outstanding under the previously mentioned letters of credit at June 30, 2026.

In the normal course of business, we have surety bonds related to contracts for contracting services, reclamation obligations and insurance policies of its subsidiaries. In the event a subsidiary of Knife River does not fulfill a bonded obligation, we would be responsible to the surety bond company for completion of the bonded contract or obligation. A large portion of the surety bonds are expected to expire within the next 12 months; however, we will likely continue to enter into surety bonds for our subsidiaries in the future. At June 30, 2026, approximately \$1.1 billion of surety bonds were outstanding, which were not reflected on the Consolidated Balance Sheet.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"). Forward-looking statements are all statements other than statements of historical fact, including without limitation those statements that are identified by the words "anticipates," "estimates," "expects," "intends," "plans," "predicts" and similar expressions, and include statements concerning plans, projections, objectives, goals, strategies, future events or performance, and underlying assumptions (many of which are based, in turn, upon further assumptions) and other statements that are other than statements of historical facts. From time to time, Knife River Corporation ("Knife River," the "Company," "we," "our," or "us") may publish or otherwise make available forward-looking statements of this nature, including statements related to strategic initiatives aimed at generating long-term profitable growth, shareholder value creation, expected long-term goals, expected backlog margin, acquisitions, financing plans, expected federal and state funding for infrastructure or other proposed strategies.

Forward-looking statements involve risks and uncertainties, which could cause actual results or outcomes to differ materially from those expressed. Our expectations, beliefs and projections are expressed in good faith and are believed to have a reasonable basis, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Nonetheless, our expectations, beliefs or projections may not be achieved or accomplished and changes in such assumptions and factors could cause actual future results to differ materially.

Any forward-looking statement contained in this document speaks only as of the date on which the statement is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances that occur after the date on which the statement is made or to reflect the occurrence of unanticipated events, except as required by law. New factors emerge from time to time, and it is not possible for management to predict all the factors, nor can it assess the effect of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. All forward-looking statements, whether written or oral and whether made by or on behalf of our Company, are expressly qualified by the risk factors and cautionary statements reported in the section entitled "Item 1A. Risk Factors" in Part I of the Company's 2025 Annual Report on Form 10-K (Annual Report) and subsequent filings with the United States Securities and Exchange Commission (SEC).

Company Overview

At Knife River, we are a people-first construction materials and contracting services company. We provide construction materials and contracting services to build safe roads, bridges, airport runways and other critical infrastructure needs that connect people with where they want to go and with the supplies they need. We also champion a positive workplace culture by focusing on safety, training, compensation and work-life balance.

We are one of the leading providers of crushed stone and sand and gravel in the United States and operate through four reportable segments across 15 states: West, Mountain, Central and Energy Services. The geographic segments primarily provide aggregates, asphalt and ready-mix concrete, as well as related contracting services such as heavy-civil construction, asphalt paving, concrete construction, site development and grading. The Energy Services segment produces and supplies liquid asphalt and related services, primarily for use in asphalt road construction.

As an aggregates-based construction materials and contracting services company, we have 1.3 billion tons of aggregate reserves supporting our vertically integrated business strategy. About 35 percent of these aggregates are used internally to support value-added downstream products like ready-mix concrete and asphalt, as well as contracting services such as heavy-civil construction, asphalt paving, concrete construction, bridges and in some segments the manufacturing of prestressed concrete products. Our strategically located aggregate sites and associated asphalt and ready-mix plants near mid-sized, higher-growth markets offer transportation advantages, enabling competitive pricing and higher margins. We serve both public and private markets, with public projects making up most of our work and providing stability through economic cycles, which helps offset the cyclical nature of the private markets.

We provide various products and services and operate a variety of facility types, including aggregate quarries and mines, ready-mix concrete plants, asphalt plants and distribution facilities, in the following states:

- West: Alaska, California, Hawaii, Oregon and Washington
- Mountain: Idaho, Montana, Utah and Wyoming
- Central: Iowa, Minnesota, North Dakota, South Dakota and Texas
- Energy Services: California, Iowa, Nebraska, Oregon, South Dakota, Texas, Washington and Wyoming

The following table presents a summary of products and services provided, as well as modes of transporting those products:

	Products and Services							Modes of Transportation			
	Aggregates	Asphalt	Ready-Mix Concrete	Construction Services	Precast/Prestressed Concrete	Liquid Asphalt	Cement	Heavy Equipment	Trucking	Rail	Barge
West	X	X	X	X	X		X	X	X	X	X
Mountain	X	X	X	X	X			X	X		
Central	X	X	X	X	X			X	X	X	
Energy Services						X			X	X	

Market Conditions and Outlook

Federal and state funding remains strong for a majority of our markets with approximately 80 percent of our historical contracting services revenue each year coming from public-sector projects, enhancing stability through market cycles. For more information on factors that may negatively impact our business, see the section entitled "Item 1A. Risk Factors" in Part I of the Company's 2025 Annual Report.

Backlog. Our contracting services backlog was as follows:

	June 30, 2026	June 30, 2025	December 31, 2025
	(In millions)		
West	\$ 235.7	\$ 282.4	\$ 203.6
Mountain	449.3	483.4	395.7
Central	531.0	487.6	432.8
	\$ 1,216.0	\$ 1,253.4	\$ 1,032.1

Expected margins on backlog at June 30, 2026, were slightly lower compared to the expected margins on backlog at June 30, 2025. Of the \$1.2 billion of backlog at June 30, 2026, we expect to complete approximately \$984 million in the 12 months following June 30, 2026. Approximately 85 percent of our backlog at June 30, 2026, is related to publicly funded projects, including street and highway construction projects, which are driven primarily by public works projects for state departments of transportation (DOT). Further, there continues to be infrastructure development, as discussed in the following section on Public Funding, which is expected to continue to provide bidding opportunities in our markets.

Period-over-period increases or decreases in backlog may not be indicative of future revenues, margins, net income or earnings before interest, taxes, depreciation, depletion and amortization (EBITDA). See the section entitled "Item 1A. Risk Factors" in Part I of the Company's 2025 Annual Report for a list of factors that can cause revenues to be realized in periods and at levels that are different from originally projected.

Public Funding. Funding for public projects is dependent on federal and state funding, such as appropriations to the Federal Highway Administration. Currently, states have continued moving forward with allocating funds from federal programs, such as the Infrastructure Investment and Jobs Act (IIJA), which is authorized to provide \$1.2 trillion in funding from 2022 through September 30, 2026. As of May 2026, approximately 38 percent of IIJA formula funding had yet to be spent in our 15 state operating market. While each market is unique, the DOT budgets in most of the states where we operate remain strong. Eleven of our 15 states have record DOT budgets for the 2026 fiscal year, representing a combined 15 percent increase over 2025.

In 2025, the American Society of Civil Engineers published its 2025 Report Card for America's Infrastructure, assigning the United States roads a "D+" grade and estimating that between 2024 and 2033, the country will require more funding than what is currently authorized. It is estimated that a total of \$2.2 trillion in funding will be needed for our roadway systems to reach a state of good repair during that time period.

Profitability. The management team consistently monitors profit margins and has adopted a proactive approach in supporting long-term profitability objectives and creating shareholder value. In 2023, we launched our EDGE initiatives and established specialized

teams to deliver training, support higher-margin bidding opportunities across regions and pursue targeted growth opportunities. Process Improvement Teams ("PIT Crews") have focused on improving operational efficiencies, reducing production costs across our materials product lines and optimizing product quality. In addition, we are rolling out new technologies designed to increase productivity and provide enhanced, real-time visibility into daily operations.

We are subject to downward pressure on our margins due to competitive market dynamics and fluctuations in the prices of raw materials, including diesel fuel, gasoline, natural gas, liquid asphalt, cement and steel. We are experiencing competitive market dynamics, primarily within contracting services, which is resulting in projects being more competitively bid and in turn compressing our contracting services margins.

To counteract the effects of raw material price fluctuations, we have utilized various mitigating strategies, such as dynamic pricing; energy escalation clauses in our contracting services contracts; securing materials in advance including the prepurchasing of diesel; fuel surcharges and pursuing other cost-saving measures. Energy escalation adjustments within contracting services are often subject to a recognition delay of a few months and are not reflected immediately in our results of operations. During the first half of 2026, our teams were successful with these mitigating controls, however, our results of operations were still impacted, largely as a result of the timing of contract billings. We will continue to monitor the effects these economic conditions have on our business.

Pursuing our strategic growth goals through targeted acquisitions is expected to drive an increase in selling, general and administrative expenses on a year-over-year basis. In the initial year of an acquisition, additional payroll-related costs associated with the acquired company, third-party consulting commitments, and newly recognized intangible assets contributing to elevated amortization expense are all anticipated. Upon complete integration of the acquired entities, operational synergies with our existing business can be realized, generating cost efficiencies.

Growth. Our management team continues to evaluate growth opportunities, both through organic growth and acquisitions they believe will generate shareholder value. Our business development team is focused on our growth with materials-led businesses in mid-size, higher growth markets, and has several targets at various stages of completion in our acquisition pipeline.

During the first half of 2026, we finalized three aggregates-based acquisitions within the Mountain region and one in the West region. Two of these transactions broadens our presence in Montana, enhancing our ability to supply aggregates and ready-mix concrete to the expanding market in western Montana. The acquisition in the West expands our footprint in the Southwest Oregon markets. Additionally, the acquisition of Morgan Asphalt marked our entry into the Utah market. This acquisition included aggregate crushing and production operations with reserves projected to last over 30 years, an asphalt manufacturing facility and a range of contracting services such as asphalt paving, excavation and grading, serving both public and private sector customers.

In addition, we continue to invest in multiple organic projects, including an aggregates expansion project in South Dakota and ready-mix operations in both Minnesota and Texas. The aggregate expansion project will increase our production capabilities in the Sioux Falls market and is scheduled to be operational in 2027. In Minnesota, we are redeploying a portable ready-mix plant to an existing aggregate site north of the Twin Cities metro area. The addition of this plant expands our ability to serve the central Minnesota market and is anticipated to be operational in the third quarter of 2026. In Texas, we purchased a ready-mix site in April 2026 located in the Conroe, Texas area that is complementary to locations included in the TexCrete acquisition. Site improvements are currently underway and a new plant is expected to be located on this site by the end of 2026. Further, we completed greenfielded ready-mix operations located in the Twin Falls market, which became fully operational in the second quarter of 2026.

Seasonality. Our operations can be impacted by weather especially due to a large portion of our markets being geographically located in the northern part of the country. Generally, construction activity increases in the second quarter and continues throughout the year, contributing to both materials and contracting services volumes. However, an unusually wet spring or longer winter can lead to reduced construction activity, which would also impact our aggregate and asphalt product lines.

Due to the seasonality of our operations, we see more pre-production activity and site improvements in the first quarter and early second quarter as we prepare for the upcoming construction season. These pre-production activities will provide a benefit to us the remainder of the year as volumes and sales increase. Some of this pre-production work includes stripping and harvesting at our aggregate sites as well as repairing and mobilizing equipment.

Workforce. As a people-first company, we continually take steps to address safety, recruitment and retention of our employees. Safety is one of Knife River's core values. The fundamental tenets of our "I Choose Safety" program are that safety is a choice and that all injuries are preventable. Our team is committed to work safely every day and we continue to advance our culture of safety through engagement and empowering our team members to take action and make meaningful changes that improve their well-being and the well-being of others.

Our training and development team, based out of the Knife River Training Center, is comprised of professional instructors, who bring a wealth of knowledge and experience to the learning environment. This dedicated team has a long-standing tradition of

delivering quality training programs that are both comprehensive and practical. Their expertise helps ensure that our team members receive the highest standard of education and skill development.

Consolidated Overview

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	% Change	2026	2025	% Change
(In millions)						
Revenue	\$ 938.6	\$ 833.8	13 %	\$ 1,348.7	\$ 1,187.2	14 %
Cost of revenue	775.8	676.5	15 %	1,188.7	1,039.6	14 %
Gross profit	162.8	157.3	3 %	160.0	147.6	8 %
Selling, general and administrative expenses	81.7	69.2	18 %	165.1	142.2	16 %
Operating income (loss)	81.1	88.1	(8)%	(5.1)	5.4	(194)%
Interest expense	24.5	22.3	10 %	45.3	37.6	20 %
Other income	3.3	2.2	50 %	2.6	6.8	(62)%
Income (loss) before income taxes	59.9	68.0	(12)%	(47.8)	(25.4)	(88)%
Income tax expense (benefit)	16.0	17.4	(8)%	(12.5)	(7.3)	(71)%
Net income (loss)	\$ 43.9	\$ 50.6	(13)%	\$ (35.3)	\$ (18.1)	(95)%
EBITDA*	\$ 140.2	\$ 139.7	— %	\$ 104.8	\$ 98.2	7 %
Adjusted EBITDA*	\$ 139.7	\$ 140.8	(1)%	\$ 107.9	\$ 102.8	5 %

* EBITDA and Adjusted EBITDA are non-GAAP financial measures. For more information and reconciliations to the nearest GAAP measures, see the section entitled "Non-GAAP Financial Measures."

Revenue includes revenue from the sale of construction materials and contracting services. Revenue for construction materials is recognized at a point in time when delivery of the products has taken place. Contracting services revenue is recognized over time using an input method based on the cost-to-cost measure of progress on a project.

Cost of revenue includes all material, labor and overhead costs incurred in the production process for our products and services. Cost of revenue also includes depreciation, depletion and amortization attributable to the assets used in the production process.

Gross profit includes revenue less cost of revenue, as defined above, and is the difference between revenue and the cost of making a product or providing a service, before deducting selling, general and administrative expenses, income taxes and interest expense.

Selling, general and administrative expenses include the costs for estimating, bidding and business development, as well as costs related to corporate and administrative functions. Selling expenses can vary depending on the volume of projects in process and the number of employees assigned to estimating and bidding activities. Other general and administrative expenses include outside services; healthcare; information technology; depreciation and amortization; training, travel and entertainment; office supplies; allowance for expected credit losses; gains or losses on the sale of assets; and other miscellaneous expenses.

Other income includes net periodic benefit costs for our benefit plan expenses, other than service costs; interest income; realized and unrealized gains and losses on investments for our nonqualified benefit plans; earnings or losses on joint venture arrangements; gains on bargain purchases; and other miscellaneous income or expenses.

Income tax expense (benefit) consists of corporate income taxes related to our net income (loss). Income taxes are presented at the corporate services level and not at the individual segments. The effective tax rate can be affected by many factors, including changes in tax laws, regulations or rates, new interpretations of existing laws or regulations and changes to our overall levels of income (loss) before income tax.

The discussion that follows focuses on the key financial measures we use to evaluate the performance of our business, which include revenue, EBITDA and EBITDA margin. EBITDA and EBITDA margin are non-GAAP financial measures used to measure profitability by our management and chief operating decision maker. For more information and reconciliations to the nearest GAAP measures, see the section entitled "Non-GAAP Financial Measures."

The following tables summarize our operating results.

	Three Months Ended June 30,				Six Months Ended June 30,			
	2026		2025		2026		2025	
	Dollars	Margin	Dollars	Margin	Dollars	Margin	Dollars	Margin
	(In millions)							
Revenues by segment:								
West	\$ 290.4		\$ 317.4		\$ 502.2		\$ 525.7	
Mountain	236.5		176.1		317.7		242.1	
Central	325.6		255.2		426.8		323.1	
Energy Services	103.0		97.4		123.5		111.3	
Total segment revenues	955.5		846.1		1,370.2		1,202.2	
Corporate Services and Eliminations	(16.9)		(12.3)		(21.5)		(15.0)	
Consolidated revenues	\$ 938.6		\$ 833.8		\$ 1,348.7		\$ 1,187.2	
EBITDA (a):								
West	\$ 49.2	17.0 %	\$ 60.7	19.1 %	\$ 71.4	14.2 %	\$ 85.7	16.3 %
Mountain	31.0	13.1 %	30.9	17.6 %	22.8	7.2 %	14.6	6.0 %
Central	53.6	16.5 %	44.4	17.4 %	26.8	6.3 %	20.1	6.2 %
Energy Services	19.8	19.2 %	17.1	17.5 %	15.2	12.3 %	9.3	8.3 %
Total segment EBITDA (a)	153.6	16.1 %	153.1	18.1 %	136.2	9.9 %	129.7	10.8 %
Corporate Services and Eliminations (b)	(13.4)	N.M.	(13.4)	N.M.	(31.4)	N.M.	(31.5)	N.M.
Consolidated EBITDA (a)	\$ 140.2	14.9 %	\$ 139.7	16.8 %	\$ 104.8	7.8 %	\$ 98.2	8.3 %

(a) EBITDA, total segment EBITDA, EBITDA margin and total segment EBITDA margin are non-GAAP financial measures. For more information and a reconciliation to the nearest GAAP measure, see the section entitled "Non-GAAP Financial Measures."

(b) N.M. - not meaningful

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Sales (thousands):				
Aggregates (tons)	10,031	8,826	14,909	12,693
Ready-mix concrete (cubic yards)	1,193	1,041	1,917	1,585
Asphalt (tons)	2,030	1,643	2,313	1,842
Average selling price:*				
Aggregates (per ton)	\$ 19.41	\$ 18.80	\$ 20.00	\$ 19.49
Ready-mix concrete (per cubic yard)	\$ 198.45	\$ 197.91	\$ 198.95	\$ 198.37
Asphalt (per ton)	\$ 65.77	\$ 67.45	\$ 66.79	\$ 68.92

* The average selling price includes freight and delivery and other revenues.

	Three Months Ended June 30,				Six Months Ended June 30,				
	2026		2025		2026		2025		
	Dollars	Margin	Dollars	Margin	Dollars	Margin	Dollars	Margin	
	(In millions)								
Revenues by product line:									
Aggregates	\$	194.7	\$	165.9	\$	298.2	\$	247.4	
Ready-mix concrete		236.7		206.0		381.3		314.4	
Asphalt		133.5		110.8		154.5		127.0	
Liquid asphalt		91.4		85.9		109.5		98.1	
Other*		83.7		79.6		130.3		123.0	
Contracting services		406.5		340.2		554.3		480.2	
Internal sales		(207.9)		(154.6)		(279.4)		(202.9)	
Total revenues	\$	938.6	\$	833.8	\$	1,348.7	\$	1,187.2	
Gross profit by product line:									
Aggregates	\$	38.8	19.9 %	\$	34.6	20.8 %	\$	28.6	11.6%
Ready-mix concrete		39.1	16.5 %		32.4	15.7 %		41.1	13.1%
Asphalt		20.9	15.7 %		16.8	15.2 %		11.2	8.8%
Liquid asphalt		16.5	18.1 %		14.9	17.4 %		10.7	10.9%
Other*		16.6	19.8 %		17.8	22.3 %		4.5	3.7%
Contracting services		30.9	7.6 %		40.8	12.0 %		51.5	10.7%
Total gross profit	\$	162.8	17.3 %	\$	157.3	18.9%	\$	147.6	12.4%

* Other includes cement, merchandise, fabric and spreading, and other products and services that individually are not considered to be a core line of business.

Three Months Ended June 30, 2026, Compared to Three Months Ended June 30, 2025

Revenue

Revenue increased \$104.8 million or 13 percent, led by double-digit volume increases for ready-mix, asphalt and aggregates, and an increase in contracting services. The increase in contracting services was largely the result of more asphalt paving work, which also drove an increase in asphalt and aggregates. Acquisitions this past year further contributed to the increases across all product lines. We also continue to focus on our pricing, which contributed another \$15.3 million in the quarter.

Gross Profit

Gross profit improved \$5.5 million, largely due to the additional product line volumes noted above and price increases on liquid asphalt, aggregates and cement. Partially offsetting the increase was lower margins on contracting services work due to the timing and type of projects, as well as competitive market dynamics. Aggregates gross profit benefited from fuel surcharges and higher delivery revenues, however, these are dilutive to our aggregates gross margin because fuel surcharges are billed at cost and there is minimal margin on delivery costs.

Selling, general and administrative expenses

As a percentage of revenues, selling, general and administrative expense was 8.7 percent in the second quarter of 2026 compared to 8.3 percent in 2025. For the second quarter of 2026, we experienced higher costs, largely related to the absence of gains on asset sales recognized in the second quarter of 2025 of \$10.3 million. Also contributing was the additional costs associated with companies acquired, including additional payroll and payroll-related costs, which was offset slightly by \$1.7 million lower purchase accounting-related intangible asset amortization.

Interest expense

Interest expense increased \$2.2 million due primarily to higher average debt balances with the additional \$400 million of borrowings under the Term Loan B amended in May of 2026, offset in part by lower average interest rates.

Other income

Other income increased \$1.1 million, due to increased investment returns on our nonqualified defined benefit plans.

Income tax expense

Income tax expense decreased \$1.4 million, corresponding with lower income before income taxes, offset slightly by a higher effective tax rate. Our effective tax rate for the second quarters of 2026 and 2025 was 26.7 percent and 25.5 percent, respectively. The increase in the effective tax rate is primarily due to a decrease in tax benefits.

Six Months Ended June 30, 2026, Compared to Six Months Ended June 30, 2025**Revenue**

Revenue increased \$161.5 million, led by double-digit volume increases for ready-mix, aggregates and asphalt, and an increase in contracting services. These increases were the direct result of favorable weather allowing for an early start to work in certain segments and increased asphalt paving projects, as well as our acquisition activity. Pricing also positively contributed to the year.

Gross profit

Gross profit improved \$12.4 million, largely due to the additional product line volumes noted above and price increases on aggregates, cement and liquid asphalt. Partially offsetting the increase was lower margins on contracting services work due to the timing and type of projects, as well as competitive market dynamics.

Selling, general and administrative expenses

As a percentage of revenues, selling, general and administrative expense was 12.2 percent in the first half of 2026 compared to 12.0 percent in 2025. For the first half of 2026, we experienced higher costs, largely related to lower gains on asset sales of \$10.2 million. Also, contributing was the additional costs associated with the companies acquired, including additional payroll and payroll-related costs and \$400,000 of additional purchase accounting-related intangible asset amortization.

Interest expense

Interest expense increased \$7.7 million due primarily to higher average debt balances with the additional \$400 million of borrowings under the Term Loan B amended in May of 2026 and borrowings under our revolving credit facility, offset in part by lower average interest rates.

Other income

Other income decreased \$4.2 million, largely due to the absence of a one-time gain of \$3.5 million on the bargain purchase of an aggregate quarry operation in the West segment in the prior year. In addition, we had a decrease in interest income of \$1.7 million as a result of less cash on hand, which was mostly offset by increased investment returns on our nonqualified defined benefit plans.

Income tax benefit

Income tax benefit increased \$5.2 million, corresponding with higher loss before income taxes, offset in part by lower effective tax rate. Our effective tax rate for the first half of 2026 and 2025 was 26.1 percent and 28.7 percent, respectively. The decrease in the effective tax rate is due to non-deductible expenses for tax purposes in the first half of 2025.

Business Segment Financial and Operating Data

A discussion of key financial data from our business segments follows. We provide segment-level information by revenue, EBITDA and EBITDA margin, as these are the measures of profitability used by our chief operating decision maker to assess operational results.

Results of Operations - West

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	% Change	2026	2025	% Change
	(In millions)					
Revenue	\$ 290.4	\$ 317.4	(9)%	\$ 502.2	\$ 525.7	(4)%
EBITDA	\$ 49.2	\$ 60.7	(19)%	\$ 71.4	\$ 85.7	(17)%
EBITDA margin	17.0 %	19.1 %		14.2 %	16.3 %	

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In millions)			
Revenues:				
Aggregates	\$ 80.0	\$ 74.8	\$ 144.7	\$ 131.1
Ready-mix concrete	88.2	90.0	162.2	159.7
Asphalt	39.1	38.5	51.9	47.4
Other*	49.3	49.3	83.9	83.7
Contracting services	97.8	121.2	165.6	188.7
Internal sales	(64.0)	(56.4)	(106.1)	(84.9)
	\$ 290.4	\$ 317.4	\$ 502.2	\$ 525.7

* Other includes cement, merchandise, transportation services and other products that individually are not considered to be a core line of business for the segment.

Three Months Ended June 30, 2026, Compared to Three Months Ended June 30, 2025

Revenue decreased \$27.0 million for the quarter, largely due to less available public-agency work in the segment resulting in lower contracting services revenue in Oregon, as well as 12% lower ready-mix volumes in Oregon due to less available private work. Also, weather-related delays in Alaska resulted in a late start to the construction season, reducing their material product sales volumes. Partially offsetting these decreases were increased pricing of \$14.3 million across the segment on aggregates, ready-mix and cement, and contributions from acquisitions.

EBITDA decreased 19 percent for the quarter, driven primarily by lower revenues, as previously mentioned, and lower margin contracting services work related to competitive market dynamics as a result of less available public-agency work in Oregon, as well as the type of work. Gains on asset sales were also lower by \$1.7 million in 2026. Increased pricing, as previously mentioned, offset some of the decreases in the quarter.

Six Months Ended June 30, 2026, Compared to Six Months Ended June 30, 2025

Revenue decreased \$23.5 million, largely due to less available public-agency work resulting in lower contracting services revenue in Oregon and California. In addition, Hawaii had lower material sales volumes reducing revenue by \$12.5 million, mostly due to significant flooding conditions in the first quarter, and Alaska's material sales volumes were down \$8.4 million in revenue due to unfavorable weather resulting in a late start to the construction season. Partially offsetting these decreases were increased pricing of \$19.7 million across the segment on ready-mix, cement and aggregates, and contributions from acquisitions.

EBITDA decreased 17 percent year-over-year, primarily a result of lower revenues, as previously mentioned, as well as lower margin contracting services work related to competitive market dynamics due to less public-agency work and the type of work. Results were further impacted by the absence of a \$3.5 million one-time gain recognized in the first quarter of 2025 due to an acquisition being a bargain purchase and lower gains on asset sales of \$2.5 million in 2026. Increased pricing, as previously mentioned, offset some of the decreases to EBITDA.

Results of Operations - Mountain

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	% Change	2026	2025	% Change
	(In millions)					
Revenue	\$ 236.5	\$ 176.1	34 %	\$ 317.7	\$ 242.1	31%
EBITDA	\$ 31.0	\$ 30.9	— %	\$ 22.8	\$ 14.6	56%
EBITDA margin	13.1 %	17.6 %		7.2 %	6.0 %	

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In millions)			
Revenues:				
Aggregates	\$ 36.2	\$ 29.3	\$ 49.8	\$ 37.4
Ready-mix concrete	42.7	35.7	65.3	48.8
Asphalt	42.6	28.8	45.4	29.3
Other*	1.2	—	1.2	—
Contracting services	163.4	110.7	214.2	158.7
Internal sales	(49.6)	(28.4)	(58.2)	(32.1)
	\$ 236.5	\$ 176.1	\$ 317.7	\$ 242.1

* Other includes merchandise and other products that individually are not considered to be a core line of business for the segment.

Three Months Ended June 30, 2026, Compared to Three Months Ended June 30, 2025

Revenue increased \$60.4 million in the quarter, largely resulting from increased contracting services, led by Idaho with \$29.3 million as a result of project timing and strong momentum from an early start to the season, and contributions from the three companies acquired in the first quarter of 2026. In addition, our legacy operations realized volume and pricing improvements across all product lines.

EBITDA improved \$100,000 for the quarter, largely due to higher revenues, as previously mentioned, and production cost efficiencies on our asphalt and ready-mix product lines. Mostly offsetting the increase was lower margin contracting services work due to the type of work and the impact of increased competition, as well as timing of project performance gains. Further, selling, general and administrative costs were \$3.5 million higher, primarily related to additional overhead costs from the three companies acquired in the first quarter of 2026, as well as increased payroll-related costs.

Six Months Ended June 30, 2026, Compared to Six Months Ended June 30, 2025

Revenue increased \$75.6 million, mostly driven by favorable weather allowing for early season work, which positively impacted all product lines in Idaho, as well as contributions from the three companies acquired in the first quarter of 2026. In addition, higher pricing for ready-mix, and aggregates contributed \$6.4 million of additional revenue to our legacy operations.

EBITDA improved 56 percent year-over-year, largely due to higher revenues, as previously mentioned, as well as production cost efficiencies across all product lines. Slightly offsetting was \$5.8 million higher selling, general and administrative costs mostly related to additional overhead costs from the three acquired companies during the first quarter and increased payroll-related costs.

Results of Operations - Central

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	% Change	2026	2025	% Change
	(In millions)					
Revenue	\$ 325.6	\$ 255.2	28 %	\$ 426.8	\$ 323.1	32%
EBITDA	\$ 53.6	\$ 44.4	21 %	\$ 26.8	\$ 20.1	33%
EBITDA margin	16.5 %	17.4 %		6.3 %	6.2 %	

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In millions)			
Revenues:				
Aggregates	\$ 78.5	\$ 61.8	\$ 103.7	\$ 78.9
Ready-mix concrete	105.8	80.3	153.8	105.9
Asphalt	51.8	43.5	57.2	50.3
Other*	13.7	12.6	17.7	15.0
Contracting services	145.3	108.3	174.5	132.8
Internal sales	(69.5)	(51.3)	(80.1)	(59.8)
	\$ 325.6	\$ 255.2	\$ 426.8	\$ 323.1

* Other includes merchandise and other products that individually are not considered to be a core line of business for the segment.

Three Months Ended June 30, 2026, Compared to Three Months Ended June 30, 2025

Revenue increased \$70.4 million for the quarter, primarily driven by contracting services as a result of large projects in North Dakota and more available public-agency work in both North Dakota and Minnesota, which also contributed to an increase in asphalt volumes. In addition, aggregate volumes contributed \$18.5 million of additional revenue in the quarter, largely related to supplying data center projects in North Dakota and Texas, as well as more available work, as previously mentioned. Further, contributions from the December 2025 acquisition of Texcrete led to ready-mix volumes that were more than twice as high in Texas as the prior year. Slightly offsetting the increases was decreased consolidated average pricing due to product mix and pricing differentials as a result of contributions from different locations as compared to the prior year.

EBITDA improved \$9.2 million, largely the result of higher revenues, as previously mentioned, as well as production efficiencies and lower input material costs. Margins on contracting services work also improved in the quarter largely due to favorable project execution. Partially offsetting the increase was the absence of gains on asset sales of \$7.9 million from the prior year, primarily in Texas.

Six Months Ended June 30, 2026, Compared to Six Months Ended June 30, 2025

Revenue increased \$103.7 million, primarily driven by contracting services revenue as a result of more available public-agency work in North Dakota and Minnesota, which also contributed to an increase in asphalt volumes. In addition, contributions from the acquisition of Texcrete in December 2025 led to ready-mix volumes that were more than twice as high in Texas as the prior year. Aggregate volumes also contributed \$24.1 million of additional revenue, largely related to supplying data center projects in North Dakota and Texas, as well as more available work, as previously mentioned. Slightly offsetting the increases was decreased consolidated average pricing due to product mix and pricing differentials as a result of contributions from different locations as compared to the prior year.

EBITDA improved \$6.7 million, largely the result of higher revenues, as previously mentioned, as well as production efficiencies across the product lines. Margins on contracting services work also improved slightly in the year largely due to favorable project execution. Partially offsetting the increase was higher selling, general and administrative costs of \$13.1 million, largely from additional overhead costs from companies acquired and increased payroll-related costs, and the absence of gains on asset sales of \$8.0 million from the prior year, primarily in Texas.

Results of Operations - Energy Services

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	% Change	2026	2025	% Change
	(In millions)					
Revenue	\$ 103.0	\$ 97.4	6 %	\$ 123.5	\$ 111.3	11%
EBITDA	\$ 19.8	\$ 17.1	16 %	\$ 15.2	\$ 9.3	64%
EBITDA margin	19.2 %	17.5 %		12.3 %	8.3 %	

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In millions)			
Revenues:				
Liquid Asphalt	\$ 91.4	\$ 85.9	\$ 109.5	\$ 98.1
Other*	15.6	14.2	19.7	17.2
Internal sales	(4.0)	(2.7)	(5.7)	(4.0)
	\$ 103.0	\$ 97.4	\$ 123.5	\$ 111.3

* Other includes fabric and spreading, burner fuels, merchandise and other products that individually are not considered to be a core line of business for the segment.

Three Months Ended June 30, 2026, Compared to Three Months Ended June 30, 2025

Revenue increased \$5.6 million, primarily driven by higher pricing and sales volumes due to improved market opportunities in California. Partially offsetting were lower volumes in other markets resulting from competitive market dynamics.

EBITDA improved \$2.7 million, largely as a result of increased revenue, as mentioned previously, as well as lower operating costs due to the absence of boiler repairs and railcar maintenance incurred in the prior year.

Six Months Ended June 30, 2026, Compared to Six Months Ended June 30, 2025

Revenue increased \$12.2 million, primarily driven by higher sales volumes in California due to improved pricing and market conditions, which contributed \$14.7 million of additional revenue. This increase was slightly offset by lower volumes in other markets resulting from competitive market dynamics.

EBITDA improved \$5.9 million, largely as a result of increased revenue, as mentioned previously, as well as lower operating costs due to the absence of boiler repairs and railcar maintenance incurred in the prior year.

Corporate Services and Eliminations

Corporate Services includes all expenses related to the corporate functions of our company, as well as insurance activity at our captive insurer; interest expense on a majority of our long-term debt; interest income; and unrealized gains or losses on investments for nonqualified benefit plans.

Three Months Ended June 30, 2026, Compared to Three Months Ended June 30, 2025

During the second quarter of 2026, Corporate Services contributed negative EBITDA of \$13.4 million, which was comparable to the prior year, as a result of flat selling, general and administrative costs year-over-year. Increased investment returns on our nonqualified defined benefit plans and lower due diligence and integration costs related to corporate development and completed acquisitions were offset by increased salaries and burden.

Six Months Ended June 30, 2026, Compared to Six Months Ended June 30, 2025

During the first half of 2026, Corporate Services contributed negative EBITDA of \$31.4 million, which was comparable to the prior year, as a result of flat selling, general and administrative costs year-over-year. Lower due diligence and integration costs related to corporate development and completed acquisitions were offset by increased salaries and burden.

Liquidity and Capital Resources

At June 30, 2026, we had unrestricted cash and cash equivalents of \$40.7 million, working capital of \$794.4 million and borrowing capacity of \$387.2 million on our revolving credit facility, net of our outstanding letters of credit. Working capital is calculated as current assets less current liabilities. As of June 30, 2026, we had sufficient liquid assets and borrowing capacity to meet our financial commitments, debt obligations and anticipated capital expenditures for at least the next 12 months.

On May 15, 2026, we entered into a second amendment to our secured credit agreement, increasing our Term Loan B by an aggregate principal amount of \$400.0 million and reducing the interest rate margin by 0.25%. After the second amendment, the aggregate principal amount of the Term Loan B outstanding was \$895.0 million.

Given the seasonality of our business, we typically experience significant fluctuations in working capital needs and balances throughout the year. Working capital requirements generally increase in the first half of the year as we build up inventory and focus on preparing our equipment, facilities and crews for our construction season. Working capital levels then decrease as the construction season winds down and we collect on receivables.

The ability to fund our cash needs will depend on the ongoing ability to generate cash from operations and obtain debt financing with competitive rates. We rely on access to capital markets as sources of liquidity for capital requirements not satisfied by cash flows from operations, particularly in the first half of the year, due to the seasonal nature of the business. Our principal uses of cash in the future will be to fund our operations, working capital needs, capital expenditures, repayment of debt and strategic business development transactions.

Capital expenditures

We are committed to disciplined capital allocation, including reinvesting in our company to maintain fixed assets, improve operations and grow our business.

We currently estimate total 2026 capital expenditures for maintenance and improvement to be between \$170 million and \$235 million. For the six months ended June 30, 2026, we spent \$90.1 million, largely on the replacement of construction equipment and plant improvements.

Additionally, for the six months ended June 30, 2026, we spent \$244.5 million on growth initiatives, which comprised of \$184.4 million on acquisitions and \$60.1 million on aggregate expansion and greenfield projects. For the remainder of 2026, we estimate to spend \$76.4 million on organic growth projects. Capital expenditures for future acquisitions and new organic growth opportunities would be incremental to our outlined capital program. It is anticipated that capital expenditures for the remainder of 2026 will be funded by various sources, including cash flows from operations and debt.

Cash flows

	Six Months Ended	
	June 30,	
	2026	2025
	(In millions)	
Net cash provided by (used in)		
Operating activities	\$ (133.6)	\$ (167.8)
Investing activities	(332.6)	(701.9)
Financing activities	444.8	666.3
Decrease in cash, cash equivalents and restricted cash	(21.4)	(203.4)
Cash, cash equivalents and restricted cash -- beginning of year	123.4	281.1
Cash, cash equivalents and restricted cash -- end of period	\$ 102.0	\$ 77.7

Operating activities

	Six Months Ended June 30,		
	2026	2025	Variance
	(In millions)		
Components of net cash used in operating activities:			
Net loss	\$ (35.3)	\$ (18.1)	\$ (17.2)
Adjustments to reconcile net loss to net cash used in operating activities	112.0	79.9	32.1
Changes in current assets and liabilities, net of acquisitions:			
Receivables	(233.2)	(177.4)	(55.8)
Inventories	(66.2)	(59.9)	(6.3)
Other current assets	(22.5)	(18.1)	(4.4)
Accounts payable	87.6	36.2	51.4
Other current liabilities	16.7	(15.6)	32.3
Pension and postretirement benefit plan contributions	(0.3)	(0.3)	—
Other noncurrent charges	7.6	5.5	2.1
Net cash used in operating activities	\$ (133.6)	\$ (167.8)	\$ 34.2

Cash used in operating activities at June 30, 2026, improved \$34.2 million, largely related to lower working capital needs, offset by a higher net loss in the period. Cash used by working capital components totaled \$217.6 million for the six months ended June 30, 2026, compared to \$234.8 million for the six months ended June 30, 2025. This reduction in cash used in 2026 was primarily the result of decreased incentive payments in 2026 and the timing of interest payments, primarily associated with the Term Loan B that was amended May 15, 2026. Partially offsetting these decreases was an increase in our taxes receivable due to the increase in net loss and the timing of taxes paid.

Investing activities

	Six Months Ended June 30,		
	2026	2025	Variance
	(In millions)		
Capital expenditures	\$ (150.2)	\$ (228.6)	\$ 78.4
Acquisitions, net of cash acquired	(184.4)	(501.9)	317.5
Net proceeds from sale or disposition of property and other	4.8	31.4	(26.6)
Investments	(2.8)	(2.8)	—
Net cash used in investing activities	\$ (332.6)	\$ (701.9)	\$ 369.3

The decrease in cash used in investing activities for the six months ended June 30, 2026, compared to the six months ended June 30, 2025, was primarily the result of decreased cash used for acquisition activity and aggregate reserve replacements, partially offset by the absence of prior year proceeds from the sale of ready-mix operations in the Central segment.

Financing activities

	Six Months Ended June 30,		
	2026	2025	Variance
	(In millions)		
Issuance of long-term debt	\$ 461.0	\$ 683.0	\$ (222.0)
Debt issuance costs	(3.9)	(11.1)	7.2
Repayment of long-term debt	(6.9)	(3.0)	(3.9)
Tax withholding on stock-based compensation	(5.4)	(2.6)	(2.8)
Net cash provided by financing activities	\$ 444.8	\$ 666.3	\$ (221.5)

Cash flows provided by financing activities for the six months ended June 30, 2026 decreased compared to the six months ended June 30, 2025. In the second quarter of 2026, we entered into a second amendment to our secured credit agreement, increasing our Term Loan B by an aggregate principal amount of \$400 million, while in 2025 we issued \$500 million against our Term Loan B. Further, in 2026 we borrowed less against our revolving credit facility.

Material cash requirements

There were no material changes in the contractual obligations from those reported in the 2025 Annual Report other than as set forth below. For more information on our contractual obligations on long-term debt, operating leases and purchase commitments, see Part II, Item 8 in the 2025 Annual Report.

Our material short-term and long-term cash requirements include repayment of third-party long-term debt and related interest payments, payments on operating lease agreements, payments of obligations on purchase commitments and asset retirement obligations.

At June 30, 2026, our long-term debt reflected an increase of approximately \$454.1 million from the balance at December 31, 2025. This increase is primarily due to the second amendment to our secured credit facility increasing our Term Loan B facility by \$400.0 million and outstanding borrowings of \$61.0 million under our revolving credit facility. The funds from the Term Loan B were used to repay borrowings under the revolving credit agreement, working capital needs and general corporate purposes.

At June 30, 2026, our total estimated interest payments over the life of our debt reflected an increase of approximately \$90.3 million from the total estimated interest payments at December 31, 2025. This increase is primarily due to the amendment to our Term Loan B facility and borrowings under our revolving credit facility, as previously mentioned.

At June 30, 2026, our purchase commitments reflected an increase of approximately 14 percent from the balance at December 31, 2025. This increase is primarily due to the seasonality of work and preparing for our peak construction season. We expect purchase commitments to continue to decrease throughout the remainder of 2026 as obligations continue to be satisfied during the construction season.

Off-Balance Sheet Arrangements

Surety Bonds and Letters of Credit

In the normal course of business, we have surety bonds and letters of credit related to contracts for contracting services, reclamation obligations and insurance policies of our subsidiaries. In the event a subsidiary of Knife River does not fulfill a bonded obligation, we would be responsible to the surety bond company or for a draw on our letter of credit for completion of the contract or obligation. A large portion of the surety bonds are expected to expire within the next 12 months; however, we will likely continue to enter into surety bonds for our subsidiaries in the future. At June 30, 2026, approximately \$1.1 billion of surety bonds and \$51.9 million of letters of credit were outstanding, of which the total of letters of credit balance reduced availability under our revolving credit facility. These balances were not reflected on the Consolidated Balance Sheet.

Other than the surety bonds and letters of credit above, we did not have any off-balance sheet arrangements as of June 30, 2026.

Defined benefit pension plans

We have frozen noncontributory qualified defined benefit pension plans for certain employees. Various assumptions are used in calculating the benefit expense (income) and liability (asset) related to these plans. Costs of providing these benefits are dependent upon assumptions of future conditions and bear the risk of changing.

There were no material changes to our qualified noncontributory defined benefit pension plans from those reported in the 2025 Annual Report. We do not expect to make any pension plan contributions in 2026 as the plan is fully funded. For more information, see Part II, Item 8 in the 2025 Annual Report.

Non-GAAP Financial Measures

The Business Segment Financial and Operating Data includes financial information prepared in accordance with GAAP, as well as EBITDA, EBITDA margin, Adjusted EBITDA and Adjusted EBITDA margin, as well as total segment measures, as applicable, that are considered non-GAAP measures of financial performance. These non-GAAP financial measures are not measures of financial performance under GAAP. The items excluded from these non-GAAP financial measures are significant components in understanding and assessing financial performance. Therefore, these non-GAAP financial measures should not be considered substitutes for the applicable GAAP metric.

EBITDA, EBITDA margin, Adjusted EBITDA and Adjusted EBITDA margin are most directly comparable to the corresponding GAAP measures of net income (loss) and net income (loss) margin. We believe these non-GAAP financial measures, in addition to corresponding GAAP measures, are useful to investors by providing meaningful information about operational efficiency compared to our peers by excluding the impacts of differences in tax jurisdictions and structures, debt levels and capital investment. We believe Adjusted EBITDA and Adjusted EBITDA margin are useful performance measures because they allow for an effective evaluation of our operating performance by excluding unrealized gains and losses on benefit plan investments, stock-based compensation, and the impact of selling acquired inventory after markup to fair value as part of acquisition accounting as they are considered non-cash and not part of our core operations. We believe EBITDA and Adjusted EBITDA assist rating agencies and investors in comparing operating performance across operating periods on a consistent basis by excluding items management does

not believe are indicative of our operating performance. Additionally, EBITDA and Adjusted EBITDA are important financial metrics for debt investors who utilize debt to EBITDA and debt to Adjusted EBITDA ratios. We believe these non-GAAP financial measures, including total segment measures, as applicable, are useful performance measures because they provide clarity as to our operational results. Our management uses these non-GAAP financial measures in conjunction with GAAP results when evaluating our operating results internally and calculating employee incentive compensation.

EBITDA is calculated by adding back income taxes, interest expense (net of interest income) and depreciation, depletion and amortization expense to net income (loss). EBITDA margin is calculated by dividing EBITDA by revenues. Adjusted EBITDA is calculated by adding back unrealized gains and losses on benefit plan investments, stock-based compensation and the impact of selling acquired inventory after markup to fair value as part of acquisition accounting to EBITDA. Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenues. These non-GAAP financial measures are calculated the same for both the total segment and consolidated metrics and should not be considered as alternatives to, or more meaningful than, GAAP financial measures such as net income or net income margin, and are intended to be helpful supplemental financial measures for investors' understanding of our operating performance. Our non-GAAP financial measures are not standardized; therefore, it may not be possible to compare these financial measures with other companies' EBITDA, EBITDA margin, Adjusted EBITDA and Adjusted EBITDA margin measures having the same or similar names.

The following information reconciles segment and consolidated net income (loss) to EBITDA and Adjusted EBITDA and provides the calculation of EBITDA margin and Adjusted EBITDA margin. Interest expense, net, is net of interest income that is included in other income on the Consolidated Statements of Operations.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In millions)			
Net income (loss)	\$ 43.9	\$ 50.6	\$ (35.3)	\$ (18.1)
Depreciation, depletion and amortization	56.4	50.2	108.5	88.9
Interest expense, net	23.9	21.5	44.1	34.7
Income taxes	16.0	17.4	(12.5)	(7.3)
EBITDA	\$ 140.2	\$ 139.7	\$ 104.8	\$ 98.2
Unrealized (gains) losses on benefit plan investments	(3.2)	(1.8)	(2.4)	(1.1)
Stock-based compensation expense	2.6	2.9	5.4	5.7
Impact of selling acquired inventory after markup to fair value as part of acquisition accounting	0.1	—	0.1	—
Adjusted EBITDA	\$ 139.7	\$ 140.8	\$ 107.9	\$ 102.8
Revenue	\$ 938.6	\$ 833.8	\$ 1,348.7	\$ 1,187.2
Net income (loss) margin	4.7 %	6.1 %	(2.6)%	(1.5)%
EBITDA margin	14.9 %	16.8 %	7.8 %	8.3 %
Adjusted EBITDA margin	14.9 %	16.9 %	8.0 %	8.7 %

New Accounting Standards

For information regarding new accounting standards, see Note 3, which is incorporated by reference.

Critical Accounting Estimates

Our critical accounting estimates include revenue recognized using the cost-to-cost measure of progress for contracts; fair values of acquired assets and liabilities assumed under the acquisition method of accounting; impairment testing of goodwill; and impairment testing of long-lived assets excluding goodwill. There were no material changes in our critical accounting estimates from those that were previously reported in our 2025 Annual Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to the impact of market fluctuations associated with interest rates and commodity prices. We have policies and procedures to assist in controlling these market risks and from time to time have utilized derivatives to manage a portion of our risk.

Interest rate risk

As of June 30, 2026, we had \$1.2 billion of outstanding borrowings under our Term Loan A, Term Loan B and revolving credit facility, which bear interest at a variable rate. As of June 30, 2026, the weighted-average rate in effect was 5.52 percent, therefore, a hypothetical increase of 1.00 percent to the interest rate at June 30, 2026, would increase the all-in rate to 6.52 percent, the effect of which would increase the Company's interest expense by \$12.1 million over the next 12 months based on the balances outstanding for these borrowings as of June 30, 2026.

At June 30, 2026, we had no outstanding interest rate hedges.

Commodity price risk

There were no material changes to commodity price risk that we faced from those reported in the 2025 Annual Report.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

The term "disclosure controls and procedures" is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. The Company's disclosure controls and other procedures are designed to provide reasonable assurance that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. The Company's disclosure controls and other procedures are designed to provide reasonable assurance that information required to be disclosed is accumulated and communicated to management, including the Company's chief executive officer and chief financial officer, to allow timely decisions regarding required disclosure. The Company's management, with the participation of the Company's chief executive officer and chief financial officer, has evaluated the effectiveness of the Company's disclosure controls and other procedures as of the end of the period covered by this report. Based upon that evaluation, the chief executive officer and the chief financial officer have concluded that, as of the end of the period covered by this report, such controls and procedures were effective at a reasonable assurance level.

Changes in internal controls

We completed the acquisition of Morgan Asphalt, Inc. on February 26, 2026. Under the guidelines established by the SEC, companies are permitted to exclude acquisitions from their assessment of internal control over financial reporting during the first year of an acquisition while integrating the acquired company. We are in the process of assessing the internal controls over financial reporting of the acquired company and integrating them with our existing internal controls over financial reporting.

Except as noted above, there were no changes in our internal controls over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended June 30, 2026, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II -- Other Information

Item 1. Legal Proceedings

For information regarding legal proceedings required by this item, see the discussion in Note 16 to our Consolidated Financial Statements, which is incorporated herein by reference.

Item 1A. Risk Factors

Refer to the Company's risk factors that are disclosed in Part I, Item 1A. Risk Factors in its 2025 Annual Report that could be materially harmful to the Company's business, prospects, financial condition or financial results if they occur.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

For information regarding mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K, see Exhibit 95 to this Form 10-Q, which is incorporated herein by reference.

Item 5. Other Information

During the three months ended June 30, 2026, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

See the index to exhibits immediately preceding the signature page to this report.

Exhibits Index

Exhibit Number	Exhibit Description	Filed Herewith	Furnished Herewith	Incorporated by Reference				
				Form	Period Ended	Exhibit	Filing Date	File Number
3.1	Second Amended and Restated Certificate of Incorporation of Knife River Corporation			8-K		3.1	5/28/25	1-41642
3.2	Second Amended and Restated Bylaws of Knife River Corporation			8-K		3.2	5/28/25	1-41642
4.1	Fourth Supplemental Indenture, dated as of April 20, 2026, by and among the parties that are signatories hereto as Guarantors, Knife River Corporation and U.S. Bank Trust Company, National Association	X						
4.2	Second Amendment, dated as of May 15, 2026, among Knife River Corporation, as borrower, the guarantors party thereto, the lenders and other parties party thereto, and JPMorgan Chase Bank, N.A., as administrative agent			8-K		10.1	5/18/26	1-41642
10.1+	Knife River Corporation Director Compensation Policy, as amended May 20, 2026	X						
10.2+	Offer Letter, dated May 20, 2026, between Knife River Corporation and Peggy S. Rebstock			8-K		10.1	5/21/26	1-41642
31.1	Certification of Chief Executive Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X						
31.2	Certification of Chief Financial Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X						
32	Certification of Chief Executive Officer and Chief Financial Officer furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002		X					
95	Mine Safety Disclosures	X						
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document							
101.SCH	XBRL Taxonomy Extension Schema Document							
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document							
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document							
101.LAB	XBRL Taxonomy Extension Label Linkbase Document							
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document							
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)							
+ Management contract, compensatory plan or arrangement.								

Signatures

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Knife River Corporation

DATE: August 4, 2026

BY: /s/ Nathan W. Ring
Nathan W. Ring
Vice President and Chief Financial Officer

BY: /s/ Peggy S. Rebstock
Peggy S. Rebstock
Vice President, Chief Accounting Officer and Controller

CERTIFICATION

I, Brian R. Gray, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Knife River Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2026

/s/ Brian R. Gray

Brian R. Gray
President and Chief Executive Officer

CERTIFICATION

I, Nathan W. Ring, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Knife River Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2026

/s/ Nathan W. Ring

Nathan W. Ring

Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

Each of the undersigned, Brian R. Gray, the President and Chief Executive Officer, and Nathan W. Ring, the Vice President and Chief Financial Officer of Knife River Corporation (the "Company"), DOES HEREBY CERTIFY that:

1. The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 (the "Report"), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHERE OF, each of the undersigned has executed this statement this 4th day of August, 2026.

/s/ Brian R. Gray
Brian R. Gray
President and Chief Executive Officer

/s/ Nathan W. Ring
Nathan W. Ring
Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Knife River Corporation and will be retained by Knife River Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

**KNIFE RIVER CORPORATION
MINE SAFETY INFORMATION**

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) requires issuers to include in periodic reports filed with the SEC certain information relating to citations or orders for violations of standards under the Federal Mine Safety and Health Act of 1977 (Mine Act), as amended by the Mine Improvement and New Emergency Response Act of 2006 (Mine Safety Act). The Dodd-Frank Act requires reporting of the following types of citations or orders:

1. Citations issued under Section 104 of the Mine Safety Act for violations that could significantly and substantially contribute to the cause and effect of a coal or other mine safety or health hazard.
2. Orders issued under Section 104(b) of the Mine Safety Act. Orders are issued under this section when citations issued under Section 104 have not been totally abated within the time period allowed by the citation or subsequent extensions.
3. Citations or orders issued under Section 104(d) of the Mine Safety Act. Citations or orders are issued under this section when it has been determined that the violation is caused by an unwarrantable failure of the mine operator to comply with the standards. An unwarrantable failure occurs when the mine operator is deemed to have engaged in aggravated conduct constituting more than ordinary negligence.
4. Citations issued under Section 110(b)(2) of the Mine Safety Act for flagrant violations. Violations are considered flagrant for repeat or reckless failures to make reasonable efforts to eliminate a known violation of a mandatory health and safety standard that substantially and proximately caused, or reasonably could have been expected to cause, death or serious bodily injury.
5. Imminent danger orders issued under Section 107(a) of the Mine Safety Act. An imminent danger is defined as the existence of any condition or practice in a coal or other mine which could reasonably be expected to cause death or serious physical harm before such condition or practice can be abated.
6. Notice received under Section 104(e) of the Mine Safety Act of a pattern of violations or the potential to have such a pattern of violations that could significantly and substantially contribute to the cause and effect of mine health and safety standards.

During the three months ended June 30, 2026, none of our operating subsidiaries received citations or orders under the following sections of the Mine Safety Act: 104(b), 104(d), 110(b)(2), 107(a) or 104(e). We did not have any mining-related fatalities during this period.

MSHA Identification Number/Contractor ID	Section 104 S&S Citations (#)	Total Dollar Value of MSHA Assessments Proposed (\$)	Legal Actions Pending as of Last Day of Period (#)	Legal Actions Initiated During Period (#)	Legal Actions Resolved During Period (#)
04-05140	—	\$ 453	—	—	—
04-05156	—	151	—	—	—
21-03560	—	151	—	—	—
32-00950	1	—	—	—	—
35-00512	—	151	—	—	—
35-00634	—	151	—	—	—
39-00008	1	—	—	—	—
39-01478	1	1,272	—	—	—
41-03931	1	2,059	—	—	—
41-05492	2	—	—	—	—
51-00171	3	—	—	—	—
	9	\$ 4,388	—	—	—

Legal actions pending before the Federal Mine Safety and Health Review Commission (the Commission) may involve, among other questions, challenges by operators to citations, orders and penalties they have received from the Federal Mine Safety and Health Administration (MSHA) or complaints of discrimination by miners under section 105 of the Mine Act. The following is a brief description of the types of legal actions that may be brought before the Commission.

- Contests of Citations and Orders - A contest proceeding may be filed with the Commission by operators, miners or miners' representatives to challenge the issuance of a citation or order issued by MSHA.
- Contests of Proposed Penalties (Petitions for Assessment of Penalties) - A contest of a proposed penalty is an administrative proceeding before the Commission challenging a civil penalty that MSHA has proposed for the alleged violation contained in a citation or order.

- Complaints for Compensation - A complaint for compensation may be filed with the Commission by miners entitled to compensation when a mine is closed by certain withdrawal orders issued by MSHA. The purpose of the proceeding is to determine the amount of compensation, if any, due miners idled by the orders.
- Complaints of Discharge, Discrimination or Interference - A discrimination proceeding is a case that involves a miner's allegation that he or she has suffered a wrong by the operator because he or she engaged in some type of activity protected under the Mine Act, such as making a safety complaint.
- Applications for Temporary Relief - Applications for temporary relief from any modification or termination of any order or from any order issued under section 104 of the Mine Act.
- Appeals of Judges' Decisions or Orders to the Commission - A filing with the Commission for discretionary review of a judge's decision or order by a person who has been adversely affected or aggrieved by such decision or order.

The following table reflects the types of legal actions pending before the Commission as of June 30, 2026:

MSHA Identification Number	Contests of Citations and Orders	Contests of Proposed Penalties	Complaints for Compensation	Complaints of Discharge, Discrimination or Interference	Applications for Temporary Relief	Appeals of Judges' Decisions or Orders to the Commission
04-01698	—	1	—	—	—	—
35-00512	—	1	—	—	—	—

KNIFE RIVER CORPORATION
DIRECTOR COMPENSATION POLICY

This Director Compensation Policy (the “Policy”) was adopted by the Board of Directors (the “Board”) of Knife River Corporation (the “Company”) on May 20, 2026, and is effective as of June 1, 2026.

Each member of the Board who is not an employee of the Company or any of its subsidiaries (a “Director”) shall receive compensation made up of annual cash retainers and a restricted stock unit (“RSU”) award for shares of the Company’s common stock (“Common Stock”), as set forth in this policy.

Cash Compensation

	<u>Annual Cash Retainers</u>
Base Retainer	\$110,000
Additional Retainers:	
Non-Executive Chair of the Board	\$125,000
Chair of Audit Committee	\$25,000
Chair of Compensation Committee	\$20,000
Chair of Nominating and Governance Committee	\$15,000

Such cash retainers shall be paid in monthly installments.

The Knife River Corporation Deferred Compensation Plan for Directors (the “Plan”) permits a Director to defer all or any portion of the annual cash retainers. The amount deferred is recorded in each participant's deferred compensation account and credited with income in the manner prescribed in the Plan.

Equity Compensation

Each person, other than the Non-Executive Chair of the Board, who is then a Director of the Company shall automatically receive an RSU award with a value of \$150,000, and any person who is then the Non-Executive Chair of the Board shall automatically receive an RSU award with a value of \$175,000, immediately after each Company Annual Meeting of Stockholders (each, an “Annual RSU Award”). Any Director who is initially elected or appointed to the Board at any time other than at a Company Annual Meeting of Stockholders will automatically receive on the date of such election or appointment a pro-rated RSU award (the “Initial RSU Award”) determined by multiplying the value of the Annual RSU award by a fraction, the numerator of which is the number of expected months (with a partial month counted as a full month) of service on the Board between the date of initial election or appointment and the date of the next Company Annual Meeting of Stockholders and the denominator of which is twelve. Each RSU award granted under the Policy shall be made under the Company’s Long-Term Performance-Based Incentive Plan (the “LTIP”) and shall be subject to the terms and conditions thereof and the applicable award agreement. The number of shares subject to each RSU award shall be determined by dividing the dollar value of the applicable RSU award by the closing price

of the Common Stock on the New York Stock Exchange on the grant date. Any fractional shares shall be paid in cash. Annual RSU awards and Initial RSU awards shall vest on the day immediately prior to the date of the next Company Annual Meeting of Stockholders occurring after the date of grant, in either case, subject to the Director continuing in service on the Board through such vesting date.

By written election a Director may reduce his or her annual cash retainers and have that amount instead delivered in the form of additional shares of Common Stock under the LTIP. The annual election shall specify the percentage of the annual cash retainers to be applied toward the purchase of additional shares and must be received by the Company by December 14 of the year prior to the year in which the election is to be effective. No election may be changed or revoked for the current year but an election may be changed for a subsequent year. The additional stock payments will be made on the last business day of March, June, September, and December. The stock payment shall be made by providing the Director with the number of whole shares of Common Stock determined (i) if the shares are original issue or treasury stock, by dividing the amount of the applicable stock payment by the closing price of the Common Stock on the New York Stock Exchange on the grant date or (ii) if the shares are purchased on the open market, by dividing the amount of the applicable stock payment by the weighted average price paid to purchase shares for the Director for that stock payment, excluding any related brokerage commissions or other service fees. No fractional shares shall be purchased and cash in lieu of any fractional shares shall be paid to the Director.

Travel Expense Reimbursement

All Directors will be reimbursed for reasonable travel expenses incurred while serving as a Director in connection with attendance at meetings of the Company's Board of Directors and its committees. See the paragraph below entitled "Code Section 409A" for further rules relating to travel expense reimbursements.

Life Insurance Coverage

All Directors are protected by a non-contributory group life insurance policy with coverage of \$100,000. The coverage begins the day the Director is elected or appointed to the Board of Directors and terminates when the Director ceases to be a Director. A Summary Plan Description (SPD) will be provided to the Director. The beneficiary of the insurance will be the beneficiary recorded on a beneficiary designation provided by the Company. The group life insurance policy is considered taxable compensation under current tax laws. Consequently, the Company will provide each Director annually on Form 1099 the amount of taxable income related to this coverage.

Code Section 409A

To the extent any reimbursements or in-kind benefits provided to a Director pursuant to this policy constitute "deferred compensation" under Internal Revenue Code Section 409A, any such reimbursement or in-kind benefit shall be paid in a manner consistent with Treasury Regulation Section 1.409A-3(i)(1)(iv), including the requirements that the amount of reimbursable expenses or in-kind benefits provided during a year may not affect the expenses eligible for reimbursement or in-kind benefits provided in any other year and that any reimbursement be made on or before the last day of the calendar year following the calendar year in which the expense was incurred.

Fourth Supplemental Indenture

FOURTH SUPPLEMENTAL INDENTURE, dated as of April 20, 2026 (this “Supplemental Indenture”), by and among the parties that are signatories hereto as Guarantors (each, a “Guaranteeing Subsidiary” and together, the “Guaranteeing Subsidiaries”), Knife River Corporation, a Delaware Corporation (the “Issuer”), and U.S. Bank Trust Company, National Association, as trustee under the Indenture referred to below (the “Trustee”).

W I T N E S S E T H:

WHEREAS, the Issuer and the Trustee have heretofore executed and delivered an indenture, dated as of April 25, 2023 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the “Indenture”), providing for the issuance of \$425,000,000 aggregate principal amount of 7.750% Senior Notes due 2031 (the “Notes”);

WHEREAS, the Indenture provides that, under certain circumstances, each Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which such Guaranteeing Subsidiary shall unconditionally guarantee, on a joint and several basis with the other Guaranteeing Subsidiaries and the other Guarantors, all of the Issuer’s Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indenture (the “Guarantee”); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Issuer, any Guarantor and the Trustee are authorized to execute and deliver this Supplemental Indenture without the consent of any Holder of the Notes;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, each Guaranteeing Subsidiary, the Issuer and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

ARTICLE I

DEFINITIONS

Section 1.1. *Defined Terms.* As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recitals hereto are used herein as therein defined. The words “herein,” “hereof” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular Section hereof.

ARTICLE II

AGREEMENT TO BE BOUND; GUARANTEE

Section 2.1. *Agreement to be Bound.* Each Guaranteeing Subsidiary hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture.

Section 2.2. *Guarantee.* Each Guaranteeing Subsidiary agrees, on a joint and several basis with all other Guaranteeing Subsidiaries, to fully, unconditionally and irrevocably Guarantee to each Holder of the Notes and the Trustee the Guaranteed Obligations pursuant to Article X of the Indenture on a senior basis.

ARTICLE III

MISCELLANEOUS

Section 3.1. *Notices.* All notices and other communications to the Issuer and the Guaranteeing Subsidiaries shall be given as provided in the Indenture to such Guaranteeing Subsidiaries, at their addresses set forth below, with a copy to the Issuer as provided in the Indenture for notices to the Issuer.

c/o Knife River Corporation
1150 West Century Avenue
Bismarck, North Dakota 58503

Section 3.2. *[Reserved]*.

Section 3.3. *Release of Guarantee.* This Guarantee shall be released in accordance with Section 10.02 of the Indenture.

Section 3.4. *Parties.* Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the Holders and the Trustee, any legal or equitable right, remedy or claim under or in respect of this Supplemental Indenture or the Indenture or any provision herein or therein contained.

Section 3.5. *Governing Law.* This Supplemental Indenture and the rights of the parties hereunder shall be governed by, and construed in accordance with, the laws of the State of New York.

Section 3.6. *Severability.* In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

Section 3.7. *Benefits Acknowledged.* Each Guaranteeing Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. Each Guaranteeing Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Guarantee are knowingly made in contemplation of such benefits.

Section 3.8. *Ratification of Indenture; Supplemental Indentures Part of Indenture.* Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

Section 3.9. *The Trustee.* The Trustee does not make any representation or warranty as to the validity or sufficiency of this Supplemental Indenture or with respect to the recitals contained herein, all of which recitals are made solely by the other parties hereto.

Section 3.10. *Counterparts.* The parties hereto may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. This Supplemental Indenture may be executed in multiple counterparts, which, when taken together, shall constitute one instrument. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile, PDF or other electronic transmission shall constitute effective

execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile, PDF or other electronic format shall be deemed to be their original signatures for all purposes.

Section 3.11. *Execution and Delivery.* Each Guaranteeing Subsidiary agrees that its Guarantee shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of any such Guarantee.

Section 3.12. *Headings.* The headings of the Articles and the Sections in this Supplemental Indenture are for convenience of reference only, are not intended to be considered a part hereof, and shall not be deemed to alter or affect the meaning or interpretation of the terms or provisions hereof.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

KNIFE RIVER CORPORATION,
as the Issuer

By: /s/ Nathan W. Ring
Name: Nathan W. Ring
Title: Vice President and Chief Financial Officer

Morgan Asphalt, Inc.,
as a Guarantor

By: /s/ Brian R. Gray
Name: Brian R. Gray
Title: Chair of the Board and Chief Executive Officer

Knife River Corporation – Southwest,
as a Guarantor

By: /s/ Brian R. Gray
Name: Brian R. Gray
Title: Chair of the Board and Chief Executive Officer

U.S. Bank Trust Company, National Association,
as Trustee

By: /s/ Wally Jones

Name: Wally Jones
Title: Vice President

